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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

BEST MEDICAL INTERNATIONAL, INC.,)
)
 Plaintiff,)
) C.A. No. 18-1599 (MN)
 v.)
)
 VARIAN MEDICAL SYSTEMS, et al.,)
)
 Defendants.)

Friday, June 26, 2020
10:00 a.m.
Teleconference

844 King Street
Wilmington, Delaware

BEFORE: THE HONORABLE MARYELLEN NOREIKA
United States District Court Judge

APPEARANCES:

YOUNG CONAWAY STARGATT & TAYLOR
BY: ANNE SHEA GAZA, ESQ.

-and-

MADDOX EDWARDS, PLLC
BY: STEVEN A. MADDOX ESQ.
BY: JEREMY J. EDWARDS, ESQ.
BY: ANTHONY H. SON, ESQ.

Counsel for the Plaintiff

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6 -and-

7 KEKER VAN NEST & PETERS
8 BY: LEO LAM, ESQ.
9 BY: JULIA ALLEN, ESQ.
10 BY: JOSE MARTINEZ, ESQ.
11 BY: RYAN WONG, ESQ.

12 Counsel for the Defendants

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counsel for Best, John Brosky, chief patent counsel for Best, and JanPaul Guzman, U.S. corporate and IP counsel for Best.

Thank you.

THE COURT: Thank you. Welcome to you all.

For the Defendants?

MR. FRY: Good morning, Your Honor. This is David Fry from Shaw Keller on behalf of Varian. With me on the line from my office today is John Shaw. From Keker, Van Nest & Peters, we have Leo Lam and Ryan Wong, who will be arguing claim construction, Julia Allen, who will be arguing the motion to stay, and Jose Martinez, who will be arguing the motion to dismiss. We also have Joseph Brecker as well as Reeta Whitney from Varian.

THE COURT: Welcome to all of you as well.

We are here today for arguments on the disputed claim terms, the motion to dismiss, and probably the motion to stay depending on how my finding works. I note that we started with ten disputed terms and that the parties worked together to narrow the disputes to five terms. And I wanted to start by saying thank you. We appreciate that effort.

Now, we're doing this by phone today and that presents a few challenges, but I'm sure that we can make it work. I see on the Zoom presentation that the slides are probably going to be put up in front of me. I will say in

10:04:15 1 addition that I have the slides submitted by each party in
10:04:19 2 front of me. And that even if you're doing it on the Zoom
10:04:23 3 presentation, it's helpful to me if you identify the slides
10:04:26 4 by number.

10:04:28 5 I also have the patents and the joint appendix
10:04:31 6 and the supplemental joint appendixes in front of me and I
10:04:36 7 ask if you refer me to something in those, you give me a
10:04:40 8 chance to get to the correct page. Those are voluminous
10:04:44 9 documents and it may take me a few minutes to get to the
10:04:47 10 right place and I want to be looking at the right pages so
10:04:51 11 that I can follow your arguments.

10:04:52 12 I will ask that each time you start to speak
10:04:55 13 after another person has spoken that you identify yourself.
10:04:58 14 My court reporter, Dale Hawkins, is also remote and if you
10:05:01 15 identify yourself it will help us to have a clear record.

10:05:04 16 And finally, one of the challenges of doing this
10:05:10 17 remotely is it's harder for me to ask questions. There is
10:05:14 18 often a delay when I start talking and the attorneys just
10:05:17 19 keep talking until I say wait, wait a few times because the
10:05:20 20 system doesn't click over immediately and let them hear that
10:05:24 21 I'm asking a question. So I'll just ask you to be mindful
10:05:27 22 to listen for questions or maybe if you stop every once in a
10:05:31 23 while to see if I have any, that would be helpful.

10:05:35 24 Finally, I want to remind everyone on the phone
10:05:38 25 that the recording or broadcasting of these proceedings is

10:05:45 1 prohibited.

10:05:45 2 Are there any questions before we begin?

10:05:48 3 MS. GAZA: No, Your Honor. Thank-you.

10:05:50 4 THE COURT: Then let's start. I would like to
10:05:53 5 go term by term and I'm fine taking them in the order
10:05:56 6 proposed by the parties in the amended claim chart submitted
10:05:59 7 last Friday.

10:06:00 8 I will hear from the Plaintiff first.

10:06:03 9 MR. EDWARDS: Thank you and good morning, Your
10:06:05 10 Honor. This is Jeremy Edwards. Can you see my slides, Your
10:06:10 11 Honor?

10:06:11 12 THE COURT: I can. I can see a cover page that
10:06:14 13 says Markman hearing, June 26th.

10:06:16 14 MR. EDWARDS: Excellent.

10:06:18 15 I'm going to be going through these slides
10:06:21 16 today. The slide numbers are the same as what Your Honor
10:06:25 17 has, but I may be taking some of them out of order. But if
10:06:28 18 you are looking at the slide number in the bottom right
10:06:31 19 corner, that will be the same number that appears perhaps in
10:06:35 20 a different location in terms of the order in the set that
10:06:40 21 you have.

10:06:41 22 THE COURT: Okay.

10:06:42 23 MR. EDWARDS: We did a little bit of
10:06:44 24 streamlining last night. The slides are all the same, it's
10:06:45 25 just I might take them in a different order.

10:06:50 1 THE COURT: Okay.

10:06:50 2 MR. EDWARDS: So with that, let me try to get my
10:06:53 3 screen the way I need it to be. So I'll be handling the
10:07:01 4 Markman portion today for Plaintiffs. Just a brief note.
10:07:05 5 I'm sure Your Honor is familiar with the patents and the
10:07:08 6 background of the technology from the tutorials and so
10:07:13 7 forth, so I don't wish to belabor that, we are tight on time
10:07:16 8 but I do want to give just a brief overview about the
10:07:19 9 patents and the claims that we are -- the claim terms that
10:07:22 10 are in dispute.

10:07:23 11 So very briefly, there are four patents-in-suit.
10:07:27 12 The first two, the '283 and '096, share somewhat of an
10:07:31 13 overlapping disclosure, and the other two are the '096 and
10:07:41 14 '490, they do not share any overlapping disclosure, although
10:07:45 15 some other patents are incorporated by reference in those.
10:07:48 16 And we'll get into where that matters. The first two
10:07:51 17 patents, the '283 and '096, the parties have agreed where
10:07:55 18 the terms show up in both, they should be construed the
10:07:59 19 same, so we'll be lumping those together. And the set of
10:08:02 20 terms in dispute for that pair of patents on the next slide
10:08:07 21 you'll see is what we can loosely refer to as the computer
10:08:11 22 terms. And these terms show up both in apparatus claims and
10:08:15 23 in method claims of the '283 and '096 Patents, and there is
10:08:21 24 different permutations on these, but fundamentally the
10:08:25 25 dispute here boils down to whether these computer terms are

10:08:30 1 subject to means-plus-function construction, or
10:08:34 2 step-plus-function construction as the case may be under the
10:08:39 3 governing statute, 35 U.S.C., Section 112(6).

10:08:45 4 THE COURT: You don't have to tell me this
10:08:48 5 stuff. That was really clear from the brief. Let me
10:08:51 6 promise you, we have read the brief and the patents
10:08:53 7 carefully. So given that we're limited on time, why don't
10:08:57 8 you just get to the heart of the argument.

10:09:01 9 MR. EDWARDS: Fair enough. Will do.

10:09:03 10 I do think there needs to be some clarifications
10:09:05 11 about the legal standards and some amplifications. If you
10:09:09 12 look at slide 111, I think it's clear that the Federal
10:09:14 13 Circuit has provided a fair amount of guidance in this. The
10:09:17 14 Williamson case, which you'll hear a lot about today, set
10:09:21 15 that forth. In the first bullet point, you can see the
10:09:25 16 standard, I'm not going to recite it, but it really relates
10:09:29 17 to whether the claim term "computer" relates sufficiently
10:09:33 18 definite structure and it's the name for structure.

10:09:36 19 Your Honor, I'm sure is aware that there is a
10:09:40 20 presumption that applies in this case against application of
10:09:44 21 112(6) because the claims don't recite means for or step
10:09:48 22 for, the sort of magic language. The burden to overcome
10:09:52 23 that language rest with Varian and their burden to show by a
10:09:56 24 preponderance of the evidence that 112(6) does not apply to
10:10:00 25 these claims. That presumption can be overcome if they show

10:10:04 1 that the claim term fails to recite definite structure on or
10:10:08 2 fails to recite sufficient structure that is with the
10:10:14 3 function. The case law has developed what it takes to
10:10:20 4 recite sufficient structure. And I would submit to Your
10:10:25 5 Honor that the answer from the case law is that it doesn't
10:10:28 6 take much.

10:10:30 7 If you take a look at the *Watts* case from the
10:10:33 8 Federal Circuit, their court there explained that the claim
10:10:38 9 limitation does not need to connote a precise physical
10:10:41 10 structure. And the guidance from the *Lighting World* case,
10:10:44 11 the Federal Circuit case from 2004, is really interesting
10:10:47 12 and I think helps frame the issue here. There, they cited
10:10:51 13 sufficient that the claim term is used in common parlance,
10:10:54 14 or by person of skill in the art to designate structure.
10:11:00 15 And even more interesting they said that's true even if the
10:11:03 16 term covers a broad class of structures. And it's still
10:11:07 17 true even if the term identifies the structure by its
10:11:10 18 function.

10:11:13 19 We've heard a fair amount from Varian about how
10:11:16 20 "computer" is something of a nonce word and that a computer
10:11:20 21 is something that computes. But the guidance from the
10:11:23 22 *Lighting World* case says that's not the end of the analysis
10:11:26 23 here, and it's not enough to simply say that a computer
10:11:30 24 computes and therefore it's some sort of nonce word. I'll
10:11:33 25 note that the *Lighting World* guidance is still good law even

10:11:42 1 after the *Williamson* decision. You're going to hear a lot
10:11:45 2 about the *Williamson* decision from Varian. Fundamentally,
10:11:49 3 all it did was remove the notion that the presumption
10:11:53 4 against 112(6) is quote, strong and that the claim only
10:11:58 5 needs to be devoid of any structure. It did not erase the
10:12:02 6 guidance that the Federal Circuit had provided in the years
10:12:06 7 prior and even since that's present in, for instance, the
10:12:09 8 *Watts* case and the *Lighting World* case.

10:12:11 9 And you can see that, for instance in the
10:12:13 10 *TriPlay* decision out of this district after *Williamson*
10:12:18 11 quoting the guidance from *Lighting World* and relying it.

10:12:21 12 Just to take up the issue of nonce words, I
10:12:27 13 wanted to go back to really what it means because *Williamson*
10:12:30 14 told us, *Williamson* told us -- I'm looking at the next slide
10:12:34 15 here, 113 -- that nonce words are quote nothing more than
10:12:39 16 verbal constructs.

10:12:41 17 THE COURT: Can I interrupt you here? Again, we
10:12:43 18 have reviewed the law. I know what a nonce word is. I need
10:12:47 19 you to focus on the specifics here. Don't --

10:12:52 20 MR. EDWARDS: Yes, Your Honor.

10:12:53 21 THE COURT: I have read the law, I read your new
10:12:56 22 cases. I don't understand why there were so many new cases
10:13:00 23 that you didn't cite in the first place, but nevertheless,
10:13:03 24 we have gone through and read them. I need you to focus me
10:13:06 25 on the specifics. What supports your arguments here?

10:13:11 1 MR. EDWARDS: Let me start with what has
10:13:14 2 happened since the briefing closed. Let me jump to that,
10:13:23 3 please. I want to preface -- we're going to get into all
10:13:30 4 the intrinsic evidence, but I want to preface this by saying
10:13:33 5 this PTAB in its institution decisions on the '096 already
10:13:38 6 decided against Varian's position. This happened since the
10:13:42 7 briefing and, of course, we submitted those in a
10:13:44 8 supplemental authority.

10:13:46 9 THE COURT: But the PTAB didn't really explain
10:13:50 10 anything, they just said yeah, there is a presumption, the
10:13:54 11 patent owner says the person would understand it, and we
10:13:58 12 agree. There is not a real heck of a lot of analysis there
10:14:03 13 for me to latch on to, is there?

10:14:05 14 MR. EDWARDS: There is not a lengthy analysis,
10:14:08 15 Your Honor. I will say that Varian advocated the same
10:14:13 16 position there using the same authority that it used here
10:14:16 17 making the same arguments and even submitting declarations
10:14:21 18 by the same expert.

10:14:22 19 Your Honor, I will say, is not bound by this
10:14:25 20 decision. But importantly, the parties agree that this
10:14:28 21 decision, both of these decisions would say the same thing
10:14:32 22 and reach the same conclusion. They're more than just
10:14:35 23 instructive, they're intrinsic evidence for claim
10:14:40 24 construction purposes of whether the computer terms are
10:14:43 25 subject to 112(6).

10:14:46 1 It's hard to understand how Varian can meet its
10:14:50 2 burden to show the opposite of what the intrinsic evidence
10:14:54 3 now says, and show that 112(6) applies when you have
10:14:59 4 intrinsic evidence now directly on point that was the
10:15:03 5 product of the same advocacy that's being presented to Your
10:15:07 6 Honor in --

10:15:08 7 THE COURT: And just so I understand, the
10:15:11 8 intrinsic evidence that you are currently pointing me to are
10:15:14 9 these sort of conclusionary statements from the PTAB, that's
10:15:19 10 what you're currently referencing saying there is direct
10:15:24 11 intrinsic evidence, it's just this kind of conclusionary
10:15:29 12 stuff from the PTAB.

10:15:29 13 MR. EDWARDS: It's the decision from the PTAB
10:15:34 14 that 112(6) does not apply to these claims.

10:15:35 15 THE COURT: The decision that we've already
10:15:39 16 talked about didn't really give me much analysis; right?

10:15:42 17 MR. EDWARDS: There is not a lengthy analysis
10:15:46 18 there, although it does go through what the contentions are
10:15:49 19 and disposes of them according to the same claim
10:15:53 20 construction standards that Your Honor has to apply.

10:15:56 21 If Your Honor doesn't mind, I would like to move
10:15:59 22 into directly looking at the other intrinsic evidence that
10:16:03 23 we believe supports our position.

10:16:04 24 THE COURT: That would be great.

10:16:07 25 MR. EDWARDS: I want to start with the way

10:16:09 1 Varian has framed this issue and I notice something
10:16:13 2 interesting. Varian hasn't argued that every instance of
10:16:18 3 computer in these claims invokes 112(6). In fact, they
10:16:23 4 haven't even argued that every instance where computer is
10:16:27 5 followed by a function invokes 112(6). Instead, they have
10:16:32 6 raised this issue only as to instances where computer is
10:16:36 7 coupled with the term computation. And in general, Your
10:16:42 8 Honor, this runs afoul of the principle claims terms should
10:16:46 9 be construed consistently within a patent and even within
10:16:49 10 the same term.

10:16:50 11 I want to give you a good example. In the '283
10:16:53 12 patent, if you'll look at slide 107, you can see that claim
10:16:57 13 25, I have put up here, I have underlined to show that it's
10:17:01 14 an apparatus claim. I have highlighted the disputed terms
10:17:05 15 in yellow. In blue, I have highlighted other instances
10:17:10 16 where the computer is adapted to perform a function, but
10:17:15 17 those are instances where Varian hasn't alleged that
10:17:19 18 means-plus-function applies. And if you take a closer look
10:17:23 19 and compare the very first one in yellow, the computer
10:17:27 20 adapted to computationally obtain a beam arrangement and you
10:17:31 21 compare that to the last paragraph, it's the same computer
10:17:35 22 that's being further adapted to reject a change to that
10:17:39 23 arrangement or to accept a change to that arrangement
10:17:43 24 depending on the circumstances that are recited there in the
10:17:47 25 claim. So you have this inconsistency in the way that

10:17:49 1 Varian itself has framed and brought this argument to the
10:17:52 2 Court and we think it undermines, based on the intrinsic
10:17:55 3 evidence, the validity of their position.

10:17:58 4 The same problem and inconsistency appears if
10:18:02 5 you look at the next slide, 108, in the '096 Patent claims.
10:18:06 6 I'm not going to repeat it, but it happens again there in
10:18:09 7 claim 31, for instance. It also happens in claims 21 and
10:18:14 8 23. If you look at the slide 109 that I pulled up, wherein
10:18:19 9 these claims Varian has agreed that the means-plus-function
10:18:23 10 dispute doesn't even touch these claims and yet there you
10:18:26 11 have a computer being used to definitively compare some
10:18:30 12 things that are being recited in the claims. We submit that
10:18:33 13 this inconsistency is intrinsic evidence that Varian's
10:18:37 14 position is incorrect and shouldn't be adopted. But that's
10:18:41 15 not all that is in the claims that shows that computer
10:18:44 16 connotes structure. If you take a look at slide 117, I have
10:18:51 17 taken the liberty of pulling some of the claim language out
10:18:54 18 from the '283 and '096 Patents. Most of these phrases here
10:19:00 19 talk about how the computer has data entered into it. You
10:19:05 20 can enter the dose prescription into the computer. You can
10:19:08 21 graphically enter it into the computer. You can directly
10:19:12 22 enter it into the computer. You can enter it graphically
10:19:16 23 using a pointing device. All of these claim limitations
10:19:19 24 talking about the computer connote that the computer is a
10:19:25 25 structure, it is not a black box verbal construct, it's a

10:19:29 1 thing that someone is physically interacting with. People
10:19:32 2 of skill in the art have been doing this a long time with
10:19:36 3 computer when they are coming up with radiation therapy
10:19:39 4 plans and, in fact, administering them.

10:19:41 5 The second to last one in this slide talks about
10:19:44 6 how the computer is in communication with the conformal
10:19:47 7 radiation therapy apparatus. Again, that connotes
10:19:51 8 structure. A verbal construct can't be in communication
10:19:56 9 with this big machine that delivers radiation. So we
10:19:59 10 suggest that there is claim language itself suggesting the
10:20:03 11 computer connotes sufficient structure.

10:20:05 12 That same language is of course reiterated in
10:20:10 13 various places in the specification, but I also want to
10:20:13 14 point out some other things in the specification that
10:20:16 15 connotes structure. If you take a look at slide 118, you
10:20:20 16 can see I pulled a few instances of this from the
10:20:23 17 specifications. The very top one is from the '096 Patent
10:20:27 18 and it talks about particular specs for the computer that
10:20:31 19 can be used to do the plan optimization. It talks about the
10:20:34 20 processors that can be used, how many of them. It talks
10:20:37 21 about the operating system and how many megabytes of RAM can
10:20:41 22 be used. This is even in common parlance pointing to a
10:20:44 23 person and a person of skill in the art to a physical object
10:20:48 24 that we all know, we're all looking at computers right now,
10:20:52 25 they all run operating systems and have RAM and you can use

10:20:57 1 your mouse to input data. So that's the kind of thing that
10:21:00 2 is connoted in the specification and in the claims.

10:21:04 3 The second pullout here shows up in both the
10:21:06 4 '096 and '283 Patents and we think it's telling because it
10:21:10 5 says the optimization method can be carried out using
10:21:14 6 conventional equipment. And that conventional equipment
10:21:18 7 includes a conventional computer or set of computers. We're
10:21:22 8 not talking about an abstract concept, we're talking about
10:21:26 9 using actual computers. The last pullout here also shows up
10:21:31 10 in both patents and it says something a little different
10:21:34 11 that relates to some other points I've already made, but it
10:21:37 12 says a suitable computer can be used not just in the plan
10:21:41 13 optimization, but in other steps of the radiation planning
10:21:44 14 systems. So again, one example of that would be
10:21:47 15 communicating with the linear accelerator. This is a fair
10:21:51 16 amount of intrinsic evidence pointing to the fact that
10:21:54 17 computers are structural things and not verbal constructs.

10:22:01 18 I want to jump ahead a couple of steps and talk
10:22:04 19 about the extrinsic evidence. Best Medical submitted a
10:22:08 20 declaration from Dr. Ramsey. Let me pull up a slide to
10:22:11 21 guide us through. There we go, slide 121. Dr. Ramsey
10:22:14 22 compared more than 20,000 radiation patients in twenty plus
10:22:18 23 years in the field. He has been involved in more than a
10:22:21 24 half a million radiation therapy procedures published
10:22:24 25 extensively. He confirmed in his declaration that the

computers used in this field are actual devices and that the use of the term computer in the claim connotes structure. His opinion was based on the intrinsic record and on his experience. And in addition, it's consistent with the extrinsic dictionary definitions that were provided not just by Best Medical, but by Varian itself.

And I have taken the liberty of putting those up on the same slide. The top one, a computer programmable computer device that can store, retrieve, and process data. That's a dictionary definition that we submitted, Your Honor, that connotes structure right on its face. It's not a verbal construct, it's the thing we're using in usually an electronic device. Varian in a definition supports our definition. They like to stress that the definition they came up with is a little more abstract and it says one that computes. But if you look right below it, it says specifically and the details there are much like the definition that we submit. In fact, below that it uses it in a way similar that it's being used in the claims, it says using a computer to design 3-D models. So even Varian's dictionary definition we submit connotes a fair amount of structure.

Turning to Dr. Gall's declaration, we think he was laboring under an improper legal standard. I know Your Honor asked me to jump ahead, but there was some confusion

10:24:05 1 and there is some confusion in the case law about what it
10:24:08 2 takes to connote structure to computer implemented
10:24:12 3 invention. We submit that the *Apple* case made clear and
10:24:15 4 it's still good law that the claims do not have to recite an
10:24:18 5 algorithm for the software for a computer implemented step
10:24:22 6 to avoid the application of 112(6), yet Dr. Gall went
10:24:28 7 looking in the claims -- and I'll pull up the slide, 122.
10:24:33 8 It appears that he went looking in the claims for exactly
10:24:36 9 what is not required, the algorithm of a software. We
10:24:43 10 submit that he was laboring under the misapprehension that
10:24:48 11 he needed to apply what we would refer to as an aristocrat
10:24:53 12 level of disclosure when, in fact, that's not the standard.
10:24:57 13 The aristocrat level of disclosure pertains to invalidity by
10:25:03 14 indefiniteness and pertains to claims that are already
10:25:07 15 subject to 112(6). That's not the right standard and we
10:25:11 16 think his declaration should be discounted appropriately
10:25:13 17 because we think he was laboring under the wrong standard.

10:25:16 18 I want to step outside of the extrinsic evidence
10:25:20 19 because I did notice something interesting in Varian's
10:25:23 20 tutorial. And I'm going to try to pull it up on the screen
10:25:27 21 for Your Honor, if I can. It's going to take a moment. Is
10:25:30 22 that showing up for you, or are you still seeing the slide?

10:25:33 23 THE COURT: I see a slide that has some pictures
10:25:41 24 on it.

10:25:44 25 MR. EDWARDS: Does it say Algorithms For

Optimizing Treatment Plans?

THE COURT: Yes.

MR. EDWARDS: This is page 27 in Varian's technology tutorial. And you can see them say an optimized treatment plan can be generated using a computer programmed with treatment planning software. And look how they depicted it right above there, a couple of people sitting at a computer. And then they have depicted the screen displaying some of the data. We think this sort of makes our point that people of skill in the art using a computer to perform treatment planning are using the physical device that has structure. They don't think of the abstract notion of something that merely computes when they think about using a computer to do this. And that's what's happening in the claims, it's the physical structure that everybody understands to be a computer.

Before turning this over, I do think it's important for me to switch gears for a moment and talk about a separate basis that Your Honor has for finding in our favor that is specific to the method claims which is the majority of the claims that are implicated by this dispute.

The Federal Circuit has explained in the *Masco* case that where you have a method claim that does not recite steps for or means for, and therefore, you have a step followed by a function but without the magic language to

10:27:22 1 presume that 112(6) does apply, you have the similar
10:27:26 2 presumption that it doesn't because you don't have that
10:27:28 3 language. And what *Masco* court said and it's still good law
10:27:32 4 today that is if the step that's recited contains an act in
10:27:38 5 support of that step, then 112(6) is not invoked. This is a
10:27:44 6 slightly different analysis than as applied to
10:27:47 7 means-plus-function claims for the analysis claims and as I
10:27:52 8 said it's still good law and you can see that in three
10:27:54 9 decisions just from this district in the last three-case,
10:27:58 10 the *Sprint* case, the *Fraunhofer* case, and one of the *Techno*
10:28:03 11 *View* cases where they applied *Masco*. If you apply the *Masco*
10:28:06 12 test here, 112(6) can't apply to the method claims. None of
10:28:11 13 them recite step four, they all say steps of. So the
10:28:14 14 presumption against 112(6) applies. And each computer
10:28:18 15 limitation in the method claims recites an act using a
10:28:23 16 computer, that's an act in support of the step. We submit
10:28:26 17 that under the *Masco* line of cases that as an independent
10:28:31 18 basis for finding that 112 doesn't apply to the method
10:28:34 19 claims that is a clear path to our position.

10:28:40 20 Now, to be fair, there are a couple of narrow
10:28:44 21 exceptions to the *Masco* rule, and some cases have applied
10:28:48 22 means-plus-function analysis to structural limitations that
10:28:52 23 show up inside of method claims --

10:28:56 24 THE COURT: Can I ask you, where is this case
10:28:59 25 that you're citing to me now? I don't remember this

1 argument in the papers and I don't know what the citation
2 is, which case?

3 MR. EDWARDS: Yes, Your Honor. It's *Masco v.*
4 *United States*, 303 F.3rd 1316 out of the Federal Circuit in
5 2002. It was not cited in the papers, Your Honor.

6 THE COURT: Why not? If it's so important and
7 it takes out all of these claims, why wasn't it cited in the
8 papers?

9 MR. EDWARDS: Your Honor, I honestly don't know.
10 As you may recall, my firm took up this case after claim
11 construction briefing was completed. We identified this
12 issue in the build up to this hearing and we disclosed it to
13 the other side as soon as we identified it. I can't speak
14 to why it wasn't in the briefs. I'm afraid I wasn't part of
15 the briefing.

16 THE COURT: And when you say you disclosed it to
17 the other side, when was that?

18 MR. EDWARDS: Earlier this week. I believe
19 Tuesday morning, their time.

20 THE COURT: Okay.

21 MR. EDWARDS: So just to be fair and round out
22 this for Your Honor, there are two narrow exceptions to this
23 *Masco* rule and that is something that Judge Burke explained
24 in a different *Techno View* case, 2018 Westlaw 6427874, he
25 explained that cases will sometimes apply

means-plus-function analysis to structural limitations inside of method claims, but only when one of two things is true, either the limitation itself employs the means for end quote language, which doesn't apply here, we don't have that, or the limitation itself is clearly the point of novelty in the invention. That's not the case here, either.

The use of a computer is not the gee wiz here, Your Honor, it's the steps themselves. It's no surprise that there is not a ton of detail about the computer in the claims because it's the steps themselves that were the advance in the art. Everybody was already using computers to perform plan optimization and come up with beam arrangements, so we don't think that exception to the *Masco* analysis applies here.

In short, Your Honor, we have got long list of intrinsic evidence and extrinsic evidence that's consistent with it, and we don't think that Varian can overcome that and show by a preponderance that 112(6) applies to these computer limitations. With that, I would turn it over to opposing counsel on this term, unless Your Honor has any questions.

THE COURT: Nope. Let me hear from defendants.

MR. LAM: Thank-you, Your Honor. Good morning. This is Lee Lam for the Defendant, Varian parties. Your Honor, we appreciate the Court's overruling of our previous

10:32:06 1 objections to, I'll refer to Best Medical International as
10:32:12 2 BMI if it pleases the Court, BMI citations of additional
10:32:17 3 cases this week. But what we heard from BMI's counsel for
10:32:20 4 the past few minutes was not just authority, it's a
10:32:25 5 brand-new argument and we would object on a different basis.
10:32:28 6 We don't think brand-new argument, nobody has ever suggested
10:32:32 7 that step-plus-function construction or that
10:32:35 8 step-plus-function issues apply to this case. BMI counsel
10:32:42 9 spent the past few minutes focusing on *Masco*, an 18-year old
10:32:46 10 case that they did bring to our attention the day before
10:32:49 11 yesterday or three days ago. We weren't aware of the
10:32:52 12 argument that they were going to use the *Masco* case which is
10:32:56 13 this step-plus-function argument. We object. That's new
10:33:00 14 argument. It should be deemed improper and should be
10:33:03 15 waived.

10:33:06 16 THE COURT: I gave you an opportunity to go back
10:33:09 17 review the pages. You could have talked to them about what
10:33:12 18 they wanted to do with them. You could have had more time,
10:33:15 19 you didn't take it, so let's just deal with the issues that
10:33:18 20 we have here.

10:33:21 21 MR. LAM: Will do, Your Honor. Thank-you. Does
10:33:24 22 Your Honor have any questions before I begin?

10:33:27 23 THE COURT: No. I do want to understand your
10:33:30 24 response to the point that was made that the claims use the
10:33:33 25 word "computer" multiple times, sometimes with functional

1 language following it, sometimes not with functional
2 language. It's the same computer. So how does that factor
3 into your arguments that it should be means-plus-function?
4 That I would like to hear first.

5 MR. LAM: If Your Honor is asking whether every
6 instance in which the word "computer" shows up followed by
7 functional language, whether or not we raise that for claim
8 construction, my answer to that question, Your Honor, is we
9 believe that the predicate issue of whether or not
10 means-plus-function construction should apply under
11 *Williamson* is consistent for all of those. You have to look
12 to the claim language to see whether the claim language
13 recites sufficiently sufficient structure for the recited
14 function. And we think that the --

15 THE COURT: But what about when the term
16 computer is used but there is no function associated with it
17 in a particular part of the claim?

18 MR. LAM: Well, those instances in which the
19 term computer appears, sometimes in the same claims, I think
20 BMI counsel referred to the examples where computer appears
21 elsewhere in the same claims as well as different claims.
22 The question, Your Honor, is whether the language subsuming
23 those instances of a computer speak to or bear on whether or
24 not the computer that proceeds the recited functions that
25 we've raised for Your Honor's construction speaks to those

functions.

And we submit, Your Honor, that those are different aspects of the same computer, that is true, but the Williamson test is whether or not the disputed term connotes sufficient structure for the recited function. And we're focusing on computational functions that we selected a handful of because we believe there is a uniform algorithm that applies to those handful of functions. And to be candid, Your Honor, we didn't want to raise other computer term disputes that might not matter in this case, especially with a limit on the number of terms --

THE COURT: But the use of the term computer in those claims whether it is followed by functional language or not followed by functional language is the same computer.

MR. LAM: Where it appears in the same claim and if it derives at the antecedent basis from the same computer term, the answer is yes. Yes, Your Honor.

THE COURT: Okay.

MR. LAM: We're adopting a consistent approach and we have raised the computer terminology that corresponds to a handful of functions that we believe uniformly require a simulated annealing algorithm structure in order to connote sufficient structure for that --

THE COURT: Right. Where I'm confused, let's look, for example, at claim 40 of the '283 Patent. There it

10:36:48 1 talks about entering the desired partial volume data into a
10:36:53 2 computer.

10:36:54 3 MR. LAM: Yes.

10:36:54 4 THE COURT: That is not deriving antecedent
10:37:02 5 basis from anything that you could argue is
10:37:03 6 means-plus-function. It then later talks about using that
10:37:06 7 computer to computationally calculate the opened optimized
10:37:11 8 radiation beam arrangement. How far is it that the
10:37:14 9 computer -- I'm trying to understand how both of those
10:37:18 10 computers as I think you're saying are subject to
10:37:21 11 Section 112(6).

10:37:29 12 MR. LAM: Your Honor, we'll go to that claim.
10:37:31 13 Jose, if you don't mind going to slide number 5 of Varian's
10:37:37 14 deck.

10:37:38 15 THE COURT: I really want you to answer my
10:37:40 16 question while I'm focused on it.

10:37:41 17 MR. LAM: Yes. I'm looking at claim 40 now,
10:37:45 18 Your Honor, on slide 5 of Varian's presentation. Do you see
10:37:49 19 that as well?

10:37:49 20 THE COURT: I have Best's presentation, but I
10:37:52 21 have claim 40 here.

10:37:54 22 MR. LAM: Claim 40, I'm looking at claim 40 on
10:37:57 23 my screen as well. I don't know if claim 40 shows up on
10:38:00 24 your screen from slide 5 of Varian's presentation.

10:38:02 25 THE COURT: I got it. I have it.

10:38:05 1 MR. LAM: So Your Honor's question was that the
10:38:08 2 first time the word computer is introduced in that claim is
10:38:12 3 in the body of the claim that reads entering the desired
10:38:16 4 partial volume data into a computer and the term that we
10:38:21 5 submitted for Your Honor's construction is at the end of
10:38:25 6 that claim which reads using the computer to computationally
10:38:30 7 --

10:38:30 8 THE COURT: I understand that. I understand
10:38:32 9 that. But what I'm not understanding is those are both the
10:38:35 10 same computer. Right?

10:38:38 11 MR. LAM: That's correct, Your Honor.

10:38:39 12 THE COURT: They're both talking about the same
10:38:41 13 computer. So how is it that I am supposed to say the
10:38:45 14 computer that is the subject of the entering steps is
10:38:48 15 subject to Section 112(6)? That's what you need to convince
10:38:51 16 me because those are both the same computers. The first
10:38:54 17 time the computer is referenced is not with respect to a
10:39:01 18 function, but yet you want me to say that it's the same
10:39:04 19 computer and therefore I would be saying that computer is
10:39:11 20 subject to Section 112(6).

10:39:14 21 MR. LAM: That's right, Your Honor. That is our
10:39:20 22 position. The reason is that that --

10:39:23 23 THE COURT: But what I need you to tell me is
10:39:26 24 why I should and can do that based on precedent.

10:39:30 25 MR. LAM: Your Honor, the reason is that the

10:39:32 1 same computer must satisfy all limitations of claim 40. The
10:39:39 2 antecedent "a computer" is the same as the subsequent "the
10:39:44 3 computer." We know from the last limitation of the claim
10:39:47 4 that the computer has to computationally calculate an
10:39:50 5 optimized beam arrangement. And the *Williamson* question is,
10:39:55 6 does the term computer there connote sufficient structure to
10:40:00 7 perform that recited function. And in order to satisfy --

10:40:05 8 THE COURT: Let me understand. If the claim,
10:40:08 9 claim 40, if it ended after the in response step, then that
10:40:14 10 computer in that claim would not be subject to
10:40:21 11 Section 112(6); is that right?

10:40:25 12 MR. LAM: It depends on the rest of the claim
10:40:27 13 limitations, Your Honor, if we exclude --

10:40:30 14 THE COURT: No, I'm asking you, I'm asking you
10:40:32 15 if the claim ended after the in response to the desired
10:40:40 16 partial volume data step, then that computer is not subject
10:40:44 17 to 112(6). Is that right?

10:40:50 18 MR. LAM: Your Honor, I'm afraid the answer is
10:40:52 19 no, because in response to the desired partial volume data,
10:40:57 20 the computer that must computationally approximate, you
10:41:02 21 would have to look to whether or not the claim imparts
10:41:07 22 sufficient structure for the computationally approximate
10:41:12 23 function.

10:41:12 24 THE COURT: Let me ask you this. Let's say it
10:41:14 25 stopped after the entering step, is that computer subject to

112(6)?

MR. LAM: Then the answer is no. Taking a consistent approach. Because therein you would have a claim that -- using claim 40 as the example, where the claim has a period and the claim stops after the first instance of the word computer, there would be no functional recitation attributed to the computer terminology.

THE COURT: Okay.

MR. LAM: And this is an important point, other than the notion that the computer must receive data that's being entered into it and for that purpose, Your Honor, and this is a key distinction, a generic computer that anyone could understand would be able to carry out that function. We know computers accept data. We know computers store data. We know they process data. But our point is when you're talking about functionality such as computationally calculate the radiation beam arrangement, we have to look for something more. It's not a general purpose conventional or garden variety computer that carries out those functions, it has to be something different. So the question is does the word computer suffice? The answer is no, it doesn't suffice under the *Williamson* standard.

Your Honor, I would entertain any other questions the Court has before I start addressing some of the points that BMI counsel made, but I appreciate that this

10:43:04 1 particular issue that Your Honor raised is critical.

10:43:14 2 THE COURT: I don't have anymore questions. Go
10:43:16 3 ahead and give me whatever you think I should know.

10:43:19 4 MR. LAM: Let's go to number 6, Mr. Martinez.

10:43:28 5 Your Honor, I just would like to point out that
10:43:31 6 although I heard BMI counsel say that *Williamson* did not,
10:43:36 7 Your Honor, do any prior guidance, *Williamson* itself talks
10:43:39 8 about what it expressly overruled. We highlighted the
10:43:43 9 passages from *Williamson* here. Your Honor is familiar with
10:43:46 10 the case, but this is why we're focused on the *Williamson*
10:43:49 11 case and it has established a standard that I don't think
10:43:52 12 anything that BMI counsel has raised purports to undo. The
10:43:55 13 *Williamson* standard is whether the disputed term connotes
10:44:04 14 sufficient structure to perform the recited function.
10:44:07 15 That's what Your Honor just spent the last three minutes
10:44:11 16 looking at claim 40 for.

10:44:13 17 Mr. Martinez, let's go to number 2.

10:44:21 18 I'll recap, Your Honor, why means-plus-function
10:44:24 19 construction should apply under *Williamson* and under the
10:44:27 20 *Sarif* decision that Judge Stark issued on number three,
10:44:30 21 slide number three in Varian's presentation, Your Honor,
10:44:33 22 these are the recited functions that correspond to the
10:44:36 23 computer terms that we submitted for the Court's
10:44:39 24 construction. They're separate from the data entry aspects
10:44:42 25 or the other functions that BMI counsel highlighted in

10:44:56 1 various other parts of the claims, whether they were the
10:44:59 2 same claims or different claims.

10:45:01 3 These functions are computationally obtain a
10:45:06 4 proposed beam arrangement on or a proposed set of beam
10:45:11 5 weights. Computationally change the arrangement
10:45:16 6 iteratively. Computationally calculate and optimized the
10:45:20 7 arrangement. Those are the functions for which we have to
10:45:23 8 answer the question, does the word computer suffice as
10:45:26 9 structure to carry out those functions? And the answer is
10:45:30 10 no.

10:45:34 11 How do we know? Well, we go to slide 7,
10:45:42 12 Mr. Martinez. Here is how we know, Your Honor, that
10:45:47 13 computer does not connote specific structure. And BMI
10:45:50 14 counsel quoted the same excerpts from the patent
10:45:54 15 specifications, Your Honor. Because these patent
10:45:58 16 specifications separate now from any given algorithm or
10:46:03 17 simulated anneal algorithm, both the '283 and '096 Patents
10:46:07 18 refer to computers generically. The specifications refer to
10:46:11 19 a conventional computer or even a set of computers, in other
10:46:15 20 words, it can be more than one. It refers to --

10:46:19 21 THE COURT: Do you agree that in looking to see
10:46:23 22 whether or not the term is subject to Section 112(6) that I
10:46:27 23 should look at all of the intrinsic evidence including
10:46:31 24 looking for structure in the claims as well as in the
10:46:35 25 specification?

MR. LAM: Your Honor, I do agree that the Court should look to all of the intrinsic evidence if the claim language itself does not answer that question. And as we know, the claim language itself just says the word computer to computationally do something. But here we're looking to the specification and we're looking to what computer might mean separate from any specific algorithm and what computer might mean is conventional or set of computers or suitable, we know the patent would not recommend something not suitable and the patent says for illustration purposes only a pentium computer could be utilized. The point here is that standing alone computer does not connote any specific structure, especially for carrying out the recited functions that we're focused on.

Let's go to number 8. Your Honor, we know this because BMI has repeatedly made our point for us. These are quotes of BMI's own statements from their reply brief and I have given the joint page brief citation on slide 8 of Varian's presentation. These are BMI's own statements. Their expert, Dr. Ramsey, says the same thing. And what they say are the specifications in the first bullet point, the specifications of both patents articulate what needs to be done or is accomplished by the computer, outline the structure, including the types of computer algorithms that define the structure. Yes, that's our point. The function,

10:48:23 1 the second bullet point, Your Honor, the function being
10:48:26 2 performed is directly associated with, or linked to steps
10:48:29 3 for determining an optimized radiation beam arrangement.
10:48:34 4 These steps being clearly defined algorithmic operations set
10:48:38 5 out in the specification, to transform the computer to a
10:48:42 6 specific purpose computer. That is every functional
10:48:46 7 recitation that we've raised for the Court's construction is
10:48:50 8 for a specific purpose. That is the reason why saying
10:48:55 9 computer isn't sufficient.

10:48:59 10 And finally, in the last bullet point, Your
10:49:02 11 Honor, both BMI and its expert refer to operations
10:49:07 12 associated with treatment planning and radiation dosimetry
10:49:12 13 that go well beyond general data processing and routine
10:49:16 14 computation of a generic computationally device.

10:49:21 15 So, Your Honor, in your previous question to me
10:49:23 16 about claim 40 about whether or not if the claim had ended
10:49:27 17 after the phrase entering data into the computer, would that
10:49:31 18 computer be subject to *Williamson* and Section 112(6), the
10:49:37 19 answer is no, because we know any computer can accept data,
10:49:41 20 but we're not talking about functions that only amount to
10:49:44 21 routine acceptance of data, we're talking about functions
10:49:48 22 that require computationally retaining and optimizing.

10:49:52 23 Your Honor, I don't know whether Your Honor
10:50:01 24 wants me to get into the *Sarif* case at length. Let's go to
10:50:07 25 number 10, Mr. Martinez.

10:50:12 1 We think that Judge Stark's decision in *Sarif* is
10:50:16 2 completely on point. And, Your Honor, BMI has basically
10:50:19 3 shifted its attack on *Sarif*. BMI previously asserted that
10:50:25 4 Judge Stark basically bypassed an analysis of the question
10:50:28 5 why means-plus-function construction should apply under
10:50:32 6 *Williamson*, and we've block quoted *Sarif*, we block quoted it
10:50:39 7 in the joint brief at page 32. It's the same excerpt that
10:50:44 8 we block quoted. But now that BMI was obviously wrong given
10:50:51 9 the analysis that we've reproduced here, it's introduced
10:50:54 10 several other ways of trying to avoid *Sarif* or distinguish
10:51:01 11 *Sarif*.

10:51:04 12 Mr. Martinez are you able to pull up BMI slide
10:51:09 13 123?

10:51:17 14 THE COURT: I have it.

10:51:20 15 MR. LAM: We'll get it also, Your Honor.

10:51:22 16 THE COURT: I have it. It's already in front of
10:51:25 17 me. Do you want to just tell me what your argument is?

10:51:28 18 MR. LAM: Yes. Your Honor, they make three
10:51:31 19 points, BMI makes three points on slide 123, different
10:51:34 20 patent, different history, et cetera. Of course it's a
10:51:37 21 different patent. If Judge Stark had evaluated the same
10:51:40 22 patent we wouldn't be here. Did not involve method claims.
10:51:43 23 That's the argument we heard about I think based on the
10:51:46 24 *Masco* case. But nobody, Your Honor, is disputing that
10:51:52 25 *Williamson* and means-plus-function construction can apply to

claim terms in method claims. And Your Honor, if BMI is denying that now, I have case cites that I would like to offer the Court to the contrary. One is *Media Rights v. Capital One Financial*. The F.3d citation is 800, F.3d 1366. The *Media Rights* case, in the *Media Rights* case the Federal Circuit not only applied means-plus-function determination to a means plus, it applied a *Williamson* analysis to that term and the term there, it wasn't computer, otherwise we would have cited it, Your Honor, was compliance mechanism.

Another case is *T-JAT*, that's T-J-A-T, *T-JAT Systems v. Expedia*, that was an August 20, 2019 decision by Judge Andrews in this district. The Westlaw citation is 2019 WL, for Westlaw, 3944014. And in that instance, Judge Andrews applied *Williamson* as well to the term "virtual client entity" in a method claim. I don't know whether BMI is denying that you can ever apply means-plus-function as opposed to step-plus-function treatment or *Williamson* treatment to a term in a method claim, but if that's BMI's argument, it's firmly refuted.

Lastly on this slide, BMI says that Judge Stark in *Sarif* did not hold that computer is a nonce word. That's right. He did not say the phrase nonce word like an incantation, but he did find that in the *Sarif* case the phrase computer adapted to did not connote sufficient structure for the recited functions that he was analyzing.

10:54:08 1 And that's the question that's being posed here the same
10:54:11 2 way.

10:54:20 3 In addition to the *Sarif* case, Your Honor,
10:54:25 4 Mr. Martinez, if we can go back to Varian's presentation,
10:54:30 5 slide number 13, we have other cases that applied *Williamson*
10:54:47 6 treatment to variations of computer terminology, whether it
10:54:52 7 was computer itself or computer system and other variants.
10:54:57 8 These, Your Honor, were pre-*Williamson*. This was when the
10:55:01 9 presumption against means-plus-function treatment was still
10:55:04 10 strong. So even pre-*Williamson* courts have applied
10:55:11 11 Section 112(6) to computer. This is in addition to Judge
10:55:15 12 Stark's decision in *Sarif*.

10:55:18 13 Now I'll turn to some other points in BMI's
10:55:21 14 presentation. So let's pull up BMI's presentation again,
10:55:25 15 Mr. Martinez.

10:55:30 16 Let's go to 111, Your Honor. I have taken the
10:55:41 17 liberty of orange highlighting some of the snippets of BMI's
10:55:46 18 presentation that they submitted and exchanged with us
10:55:49 19 yesterday. Here they have quoted the *Williamson* standard.
10:55:53 20 We all agree that that's the proper standard. Yet on the
10:55:56 21 next slide, 112, BMI 112, every Federal Circuit case they
10:56:00 22 cite here, Your Honor, is pre-*Williamson*.

10:56:03 23 BMI also repeatedly refers to the *Apple* case.
10:56:12 24 We heard BMI counsel mention that during oral argument. I
10:56:17 25 counted five or six times the *Apple* case shows up in the

10:56:21 1 slide deck. And again, this was raised a few days ago to
10:56:25 2 us, so we scrutinized it and we actually found a
10:56:28 3 post-*Williamson* case that really puts *Apple v. Motorola* into
10:56:33 4 context. I'll give Your Honor that case citation. It's
10:56:37 5 called *Grecia v. Samsung*. *Grecia* is spelled G-R-E-C-I-A.
10:56:44 6 And in *Grecia*, the Federal -- the reporter cite is 780 Fed
10:56:54 7 appendix 912 (7). It was an August 20, 2019, decision.
10:57:03 8 August 20, 2019. In the *Grecia* case the Federal Circuit
10:57:07 9 said that the plaintiff's reliance on this *Apple v. Motorola*
10:57:11 10 case was misplaced because *Williamson* specifically overruled
10:57:15 11 the strong presumption that had been applicable during the
10:57:20 12 *Apple* case.

10:57:21 13 The pincite for that criticism, Your Honor, is
10:57:25 14 page 916. So 780 Fed Appendix at page 916.

10:57:31 15 Let's move on to slide 113. Here, Your Honor, I
10:57:40 16 notice that BMI put the phrase computing unit in the
10:57:46 17 structural words column, but there is no per se
10:57:50 18 classification of computing unit as a structurally
10:57:54 19 sufficient term. We just discussed four cases, three of
10:57:58 20 which were pre-*Williamson* plus the *Sarif* case that say
10:58:02 21 otherwise. What BMI apparently is relying on shows up on
10:58:06 22 the next slide. They're apparently relying the *Inventio*
10:58:10 23 case which was again pre-*Williamson*. And *Inventio*, which I
10:58:14 24 read recently --

10:58:17 25 THE COURT: What about, wasn't the *Samsung* case,

10:58:20 1 wasn't that this year that's cited in *Inventio*, so I don't
10:58:26 2 think that the fact that it's pre-*Williamson* is too
10:58:28 3 compelling.

10:58:29 4 MR. LAM: Which *Samsung* case, Your Honor?

10:58:32 5 THE COURT: The *Samsung* case that's in the next
10:58:34 6 bullet point.

10:58:35 7 MR. LAM: *Samsung v. Prisua*. I have a word
10:58:41 8 about this --

10:58:42 9 THE COURT: You're trying to tell me that
10:58:44 10 *Inventio*, that was pre-*Williamson* so don't pay attention to
10:58:46 11 it. I'm saying the *Samsung* case that is referenced there
10:58:51 12 for the point is citing the *Inventio* case.

10:58:54 13 MR. LAM: That's correct, Your Honor. But I'll
10:58:58 14 also point out that *Inventio* repeatedly refers to the strong
10:59:02 15 presumption back when a strong presumption still applied.
10:59:06 16 I'll give Your Honor the pincites for where *Inventio*
10:59:12 17 specifically explicitly relies on the strong presumption.
10:59:17 18 Same case citation that BMI counsel provided here and the
10:59:21 19 strong presumption explicitly appears on pages 1356 and
10:59:30 20 1358, and again on 1360, 1360. The court in *Inventio*, Your
10:59:32 21 Honor, also found that a function of the computing unit was
10:59:41 22 to store and execute a program. I think that's on pages
10:59:46 23 1359 and 1360. Storing and executing a program like
10:59:52 24 accepting data entry is a routine computing function, so
10:59:57 25 here a generic computing unit would work in that context.

11:00:05 1 *Inventio* wasn't about computationally optimizing a radiation
11:00:10 2 beam arrangement.

11:00:12 3 Let's move on to number 115. Your Honor, I
11:00:18 4 orange highlighted the question that BMI says is being
11:00:23 5 presented. That's not the correct test. They did reproduce
11:00:28 6 the correct test under *Williamson* a few slides earlier, but
11:00:32 7 the test is not whether the disputed term connotes any
11:00:36 8 structure at all, the test is whether the term connotes
11:00:41 9 sufficient structure for the recited function.

11:00:47 10 116, Mr. Martinez.

11:00:50 11 Your Honor was right about the PTAB decision.
11:00:54 12 It's literally two sentences, Your Honor. Patent owner -- I
11:01:00 13 highlighted those two sentences in orange where the PTAB
11:01:05 14 acknowledges that the patent owner argued that there is a
11:01:09 15 rebuttable presumption and the PTAB notes that the patent
11:01:14 16 owner also contends an ordinarily skilled artisan would have
11:01:18 17 understood, readily understood what a computer is. That's
11:01:21 18 it, on those two basis the Patent Office or the PTAB
11:01:25 19 concludes that it agrees with the patent owner. So
11:01:28 20 literally a two-sentence treatment of the *Williamson* issue.

11:01:32 21 In fact, this entire decision does not even
11:01:34 22 acknowledge *Williamson*. It doesn't cite *Williamson*. And in
11:01:38 23 any event, as Your Honor pointed out, the PTAB construction
11:01:42 24 or nonconstruction in this case doesn't bind this Court.

11:01:45 25 117, please, Mr. Martinez.

11:01:48 1 So here we have all the other functionality and,
11:01:52 2 Your Honor, we eluded to this earlier, from various claims
11:01:56 3 that invoke the term computer, these are all data entry --
11:02:02 4 predetermined prescription entered into the computer,
11:02:05 5 graphically entered into the computer and so forth. These
11:02:08 6 other data entry aspects of the claims, Your Honor, are
11:02:12 7 distinct from the recited functions of computationally
11:02:17 8 obtaining a proposed arrangement or a set of proposed
11:02:21 9 weights, computationally changing the arrangement or
11:02:25 10 computationally calculating an optimized beam arrangement.
11:02:30 11 Again, the test is whether computer by itself, the term,
11:02:33 12 connotes sufficient structure for those recited functions.
11:02:38 13 These various data entry aspects of the computer, Your
11:02:42 14 Honor, we acknowledge they exist elsewhere in the claims.
11:02:46 15 They don't speak to the issue that we have raised for the
11:02:49 16 Court's construction. The notion that one can enter data
11:02:52 17 into the computer doesn't resolve the relevant question.

11:02:55 18 Let's move on to 119. Your Honor, BMI's counsel
11:03:00 19 did not focus on this argument, but we saw it in their
11:03:04 20 slides. It looks like a claim differentiation argument, but
11:03:09 21 as we explained in the joint brief at page 29, claim
11:03:13 22 differentiation does not apply to a means-plus-function
11:03:18 23 analysis.

11:03:22 24 And then finally on slide 121, these dictionary
11:03:27 25 definitions, Your Honor, we think only support our position

11:03:34 1 because as you'll see that I have highlighted here, these
11:03:38 2 definitions are premised on generic computer functions,
11:03:42 3 stored, retrieved, processed data. Not the recited
11:03:47 4 functions, not the recited functions in the computer terms
11:03:50 5 that we submitted for the Court's construction.

11:03:56 6 Let's go to their last slide, number 142 with
11:04:01 7 the additional authorities.

11:04:03 8 Your Honor, I highlighted every Federal Circuit
11:04:07 9 case on this list. All of them except for the *Samsung v.*
11:04:11 10 *Prisua* case were pre-*Williamson* as I noted earlier. The
11:04:14 11 *Samsung v. Prisua* case itself, Your Honor, was an IPR case
11:04:18 12 in which the Federal Circuit found that the board improperly
11:04:22 13 invalidated claims for indefiniteness which was beyond the
11:04:26 14 board's statutory authority. Neither party in the IPR or
11:04:30 15 the parallel district court litigation raised this
11:04:34 16 means-plus-function treatment. It was something that was
11:04:38 17 raised by the board *sua sponte* and the Federal Circuit found
11:04:42 18 that the board's reasoning was self contradictory. And in
11:04:46 19 any event, the IPR that was at issue in the *Samsung v.*
11:04:50 20 *Prisua* case was still subject to the broadest reasonable
11:04:54 21 interpretation standard, BRI, back when BRI still applied,
11:04:58 22 before claim construction standards were reconciled for both
11:05:02 23 IPR proceedings and district court proceedings, after
11:05:06 24 November of 2018.

11:05:10 25 Ultimately, Your Honor, none of these

11:05:19 1 authorities undue or even purport to undue the standard that
11:05:25 2 was established. If Your Honor has no other questions, I'll
11:05:28 3 turn it over.

11:05:31 4 THE COURT: Okay. Thank you.

11:05:37 5 MR. EDWARDS: Your Honor, this is Jeremy Edwards
11:05:40 6 again. If I may respond briefly to a couple of points.

11:05:43 7 THE COURT: Very briefly. We have been going
11:05:45 8 more than an hour and we're on one term, so you're running
11:05:48 9 out of time, so you have two minutes.

11:05:50 10 MR. EDWARDS: *Apple* is still the law after
11:05:52 11 *Williamson* for computer implemented inventions. *Scientific*
11:05:54 12 *Calculations v. Adtran* in 2016, Judge Robinson's decision,
11:06:00 13 says, "*Williamson* overruled the strength of the presumption
11:06:04 14 applied in *Apple*, but *Apple* remains on point for computer
11:06:09 15 implemented inventions that do not employ
11:06:12 16 means-plus-function language."

11:06:14 17 That's a doctrine point that is correct and that
11:06:19 18 we believe *Varian* simply is wrong.

11:06:21 19 Now, *Varian* implied that we are proposing some
11:06:24 20 sort of categorical rule for what is and is not a nonce
11:06:30 21 word. That's not what we're doing. The MPEP that we
11:06:34 22 provided was simply to show that these decisions have been
11:06:38 23 data logged and to show that on the computer side of things
11:06:42 24 often time these things end up on the structural side. It's
11:06:45 25 not a hard and fast rule. You have to look at the intrinsic

evidence, of course.

Finally, we do think that Varian's counsel misstated the standard why concluding that the claims don't recite a specific structure. That's not required under the Federal Circuit case law that I cited earlier. It does not have to connote a specific structure. A class is sufficient. And that's what we have here, more than that. So the rest of the points we'll leave to the briefs and I think we can move on to the '175 Patent unless Your Honor has more questions.

THE COURT: No. Let's move on.

MR. EDWARDS: Let me get myself there and try to bring up the slide show. I'm not a computer wiz, so it might take a moment. Are you seeing our slides, Your Honor, with the '175 Patent? Your Honor, can you see the slide that depicts the '175 Patent?

THE COURT: No.

MR. EDWARDS: I thought I was already sharing my screen. Let me try again. How about now, Your Honor?

THE COURT: Yes.

MR. EDWARDS: Excellent.

I'm going to skip the recitation about how nifty the '175 Patent is and just jump to our main points.

The competing constructions, there is three terms, but I'll just go with objective cost function to

11:08:40 1 start. We're suggesting it's a plain and ordinary meaning.
11:08:43 2 It's well understood in art, but if a construction is
11:08:46 3 required, we can live with the mathematical function that
11:08:48 4 determines a value based upon factors.

11:08:51 5 THE COURT: Is the value there a cost value, is
11:08:54 6 it a number, what is it?

11:08:55 7 MR. EDWARDS: It doesn't have to be, Your Honor,
11:08:57 8 and the claims don't require that. And we don't think the
11:09:01 9 intrinsic evidence supports limiting it that way. If you're
11:09:05 10 going to graph additional limitations on claim terms, there
11:09:09 11 has to be sufficient justification in the intrinsic
11:09:12 12 evidence.

11:09:12 13 THE COURT: Okay. But why isn't it a cost
11:09:16 14 value?

11:09:16 15 MR. EDWARDS: Why isn't it a cost value?

11:09:18 16 THE COURT: It's an objective cost function, I'm
11:09:21 17 not graphing anything, I'm using the language there, what is
11:09:23 18 the value there if it's not a cost value?

11:09:24 19 MR. EDWARDS: Well, this is some complicated
11:09:28 20 math that I'm not sure I completely understand, but I do
11:09:31 21 understand that a function can determine a value that is
11:09:34 22 another function and not necessarily a numerical value. So
11:09:37 23 to limit it to a numerical value --

11:09:38 24 THE COURT: I have moved on from numerical
11:09:41 25 value. I asked you if it's a cost value. You just have

11:09:54 1 it's a value. What kind of value? Is it a cost value?

11:09:58 2 MR. EDWARDS: I don't think necessarily, and I
11:10:00 3 don't think anybody is proposing that it has to be a cost
11:10:04 4 value --

11:10:04 5 THE COURT: But I'm asking you that, because
11:10:06 6 let's say I think value is too broad, so what kind of value
11:10:12 7 is it? Their position is, look, you have an equation here
11:10:16 8 that is essentially -- you could include any, any
11:10:22 9 mathematical equation would fit with what -- with your
11:10:27 10 description. So let's say I'm sensitive to that and I say
11:10:32 11 it seems kind of broad to me, how are we supposed to make
11:10:36 12 this actually approximate something that is related to an
11:10:41 13 objective cost function?

11:10:43 14 MR. EDWARDS: Well, the terms of the claim
11:10:46 15 elsewhere talk about the details of the cost function. Let
11:10:52 16 me see if I can pull up an example.

11:10:54 17 THE COURT: Your own expert said that it
11:10:57 18 included a function built upon an analysis of objective
11:11:01 19 factors; right?

11:11:02 20 MR. EDWARDS: Yes. Can --

11:11:04 21 THE COURT: So objective factors, I assume
11:11:06 22 you're okay with it being objective factors?

11:11:10 23 MR. EDWARDS: I don't know about the factors
11:11:12 24 being objective. The function is objective. But if I may
11:11:15 25 point you to any of the asserted claims where this appears,

11:11:19 1 for instance claim 13, let me see if I have that claim 13
11:11:31 2 talks about this objective function T and tells us what it
11:11:34 3 includes, a dosimetric cost term and a delivery cost term.
11:11:40 4 And then it tells you what those things represent. But
11:11:42 5 that's other claim language, Your Honor. That's not used to
11:11:45 6 define objective cost function. So when the claims are
11:11:51 7 providing detail about what the objective cost function is
11:11:54 8 doing, it's right there in other language. So we don't see
11:11:57 9 how it's proper to further limit this objective cost
11:12:01 10 function language when the details of it are elsewhere
11:12:05 11 provided in the claim.

11:12:08 12 Now, our expert also said that this is a well
11:12:12 13 understood term of art. I would like to point out that
11:12:15 14 there is no lexicography in the patent for cost function and
11:12:19 15 there is no express disavowal of claim scope in the file
11:12:22 16 history. Dr. Ramsey explained that this is a term that has
11:12:26 17 a plain and ordinary meaning and doesn't need further
11:12:30 18 construction. And I notice something interesting.
11:12:32 19 Dr. Solberg who is Plaintiff's -- excuse me, Defendant's
11:12:35 20 other expert who submitted a declaration for claim
11:12:38 21 construction, he had no problem talking about objective cost
11:12:42 22 functions without talking about numerical values or
11:12:45 23 iterativeness. If you look, I can pull up part of his
11:12:50 24 declaration here on slide 129, all he said was the cost
11:12:52 25 function was an input into the opposite pages algorithm and

11:12:59 1 defines one or more parameters to the opposite. We think
11:13:04 2 this speaks to our point which is you don't need to further
11:13:07 3 define this term. Their expert didn't need to when he was
11:13:10 4 talking about it in his declaration.

11:13:12 5 Now, if Your Honor is inclined to put some meat
11:13:16 6 on this and provide perhaps our alternate construction and
11:13:19 7 is trying to weigh that against Varian's proposed
11:13:24 8 construction, I would say the word "numerical" doesn't
11:13:27 9 appear anywhere in the '175 Patent. The word "iteratively"
11:13:32 10 doesn't appear anywhere in the '175 Patent. And Varian does
11:13:36 11 point to the fact that the '175 Patent incorporates the '283
11:13:40 12 and '096 Patents by reference. And it is true there are
11:13:44 13 many references to iterativeness in those patents. But I
11:13:48 14 would also note that many of the claims in those patents
11:13:52 15 have separate claim limitations expressly requiring quote
11:13:56 16 incorporating a cost function at each iteration. So when it
11:14:00 17 comes time to specify the cost functions used iteratively,
11:14:04 18 the claim language in those other patents does exactly that,
11:14:08 19 which to us implies they should not be doing that here in
11:14:12 20 the '175 Patent.

11:14:16 21 Perhaps another point, maybe a more minor point,
11:14:20 22 but if you look at the abstract of the '283 Patent, it
11:14:24 23 refers to, "an iterative cost function."

11:14:28 24 Well, that would be redundant if a cost function
11:14:32 25 was necessarily iterative. So all of this is to say that

there is -- in the '283 and '096 Patents that cross functions are not by definition iterative. Dr. Ramsey also confirmed that in his declaration, which is joint appendix 1214.

I do want to note that Varian's proposed construction seems to give rise to some confusion, even to Varian in its own briefing. Varian points to the idea that the cost function is evaluating with respect to a plurality, each in a plurality of intensity maps. They say that means it's done iteratively. What do they conclude in their brief at page 56? They say that that means, "the objective cost function is applied to each intensity map iteratively." The claims don't say any such thing to the fact that there are multiple intensity maps to be involved doesn't mean that each map gets evaluated iteratively or multiple times. Varian talks itself in circles on that which we think really confuses a jury if you adopt the iterative value on the cost function.

A final point I would like to make on this. Varian is talking about calling these costs, these factors, saying they're factors used to -- iteratively used to optimize a beam arrangement. Those factors, as I mentioned, are already mentioned in the claims elsewhere and in the '175 Patent where it talks about factors it's talking about treatment plan efficiency and dosimetric. Those show up as

11:16:19 1 the dosimetric term and cost term in the other claim
11:16:23 2 language. So it's not clear to us why we should be talking
11:16:26 3 about the nature of those factors as part of the definition
11:16:29 4 of the cost function when it's already spelled out that
11:16:34 5 those factors are part of other claim language.

11:16:38 6 It's hard for us to know what to make of
11:16:41 7 Varian's proposal on this front and we think a jury would
11:16:44 8 struggle with that, too. That's all that I have to say in
11:16:49 9 addition to the briefs about this particular claim term, so
11:16:52 10 I would turn it over to counsel for Varian, unless Your
11:16:55 11 Honor has questions.

11:16:58 12 THE COURT: No. That's fine. Thank you.

11:17:01 13 MR. WONG: Good morning. This is Ryan Wong from
11:17:04 14 Keker on behalf of Varian. I'll be handling the '175 and
11:17:08 15 the '490 terms. Before I start, I would -- does Your Honor
11:17:11 16 have any questions that the Court would like to ask?

11:17:14 17 THE COURT: No. Thanks for asking.

11:17:21 18 MR. WONG: Okay. So I think the question here,
11:17:24 19 and some of Your Honor's questions eluded to this, is
11:17:28 20 whether the proposed construction of objective cost function
11:17:31 21 from BMI has enough meat on the bones, using Mr. Edwards'
11:17:34 22 phrase, so that it wouldn't cover basically any sort of
11:17:38 23 mathematical function. And we have here slide 16. Thank
11:17:41 24 you, Mr. Martinez, from Varian's slide deck.

11:17:44 25 And first of all, the reason to construe this

11:17:58 1 term is exactly the concerns I believe Your Honor raised
11:18:02 2 with the question of what type of value is being determined
11:18:07 3 here and what kind of factors are being considered.

11:18:14 4 And, you know, the dispute over whether or not a
11:18:18 5 value is numeric or not, I think defining the value as being
11:18:24 6 a cost value is certainly better than not saying anything at
11:18:27 7 all about what the value is. So if Your Honor is inclined
11:18:32 8 to further specify that the mathematical function determines
11:18:39 9 a cost value, I think that is okay. I'm not exactly sure
11:18:44 10 what type of value could be determined by a mathematical
11:18:49 11 function besides a numerical value, but at least cost
11:18:54 12 provides some additional meaning as to what type of value is
11:18:58 13 determined. But the reason why again this claim should be
11:19:01 14 construed is because --

11:19:03 15 THE COURT: What do you say to the argument that
11:19:06 16 it's really not as broad as Defendants suggest it is because
11:19:11 17 other aspects of the claims mimic it, the claims require
11:19:20 18 that the cost function be based on certain inputs, so
11:19:25 19 although in the abstract you could say yeah, it could be any
11:19:30 20 equation, as is used in the claim is not as broad as you're
11:19:32 21 suggesting.

11:19:32 22 MR. WONG: And so, Your Honor, we actually agree
11:19:42 23 with that. The proposed construction that Varian has
11:19:50 24 advanced we agree is reflected in the surrounding claim
11:19:52 25 language. Now, the thing is this is the first time that we

11:19:59 1 have actually heard BMI acknowledge that. We had prior
11:20:04 2 conversations, you know, even before the meet and confer
11:20:07 3 leading up to this hearing and that was with prior counsel
11:20:10 4 for BMI, but BMI has never said either in its meet and
11:20:15 5 confers with Varian or in the briefing that the surrounding
11:20:19 6 claim language actually imposes the requirements that
11:20:24 7 Varian's construction sets forth. But if BMI's counsel is
11:20:28 8 now acknowledging that that is the case --

11:20:32 9 THE COURT: Wait. I don't think that they said
11:20:34 10 that they agree that the surrounding claim language requires
11:20:39 11 it to be iterative or to optimize a beam arrangement. I
11:20:44 12 think they were saying yeah, it's not completely unlimited
11:20:47 13 because, for example, the objective cost function has to
11:20:50 14 include a dosimetric cost term. It has to include an
11:20:57 15 iterative cost term. That's different from saying sure, it
11:21:01 16 has to be iterative to optimizing a beam arrangement.

11:21:04 17 MR. WONG: We do agree that the surrounding
11:21:09 18 claim language specifies what factors would be considered by
11:21:12 19 the objective cost function in these three terms if that is
11:21:19 20 responsive to the Court's question.

11:21:22 21 THE COURT: I just wasn't sure if you were
11:21:29 22 saying what you agreed the claim -- you thought there was
11:21:32 23 some agreement between the parties as to the iterative and
11:21:37 24 the optimize the beam arrangement because I certainly didn't
11:21:42 25 hear that from Mr. Edwards.

11:21:38 1 MR. WONG: Right. And that's exactly why we are
11:21:41 2 proposing this construction, Your Honor, because BMI
11:21:44 3 apparently disagrees that that is required by this claim
11:21:47 4 term or even the claim itself.

11:21:55 5 THE COURT: Okay.

11:21:55 6 MR. WONG: So Mr. Martinez, if you could turn to
11:21:58 7 slide 17, please. Actually I think we can skip this slide
11:22:02 8 because I do believe there is at least some baseline
11:22:05 9 agreement on what the construction of objective cost
11:22:08 10 function should include. And as I mentioned, Your Honor,
11:22:11 11 saying that it's a cost value, I think Varian would be fine
11:22:14 12 with that. And also making it clear that these are
11:22:17 13 objective factors, Varian would agree that that would be
11:22:20 14 appropriate. So the question really is -- and Mr. Martinez,
11:22:23 15 if you could turn to slide 18. The question really is
11:22:26 16 whether or not the phrase used, iteratively optimized beam
11:22:29 17 arrangement, should be part of the claim construction. And
11:22:32 18 Varian believes it should be based on the intrinsic
11:22:35 19 evidence. I take it that Your Honor has reviewed the slide,
11:22:38 20 so I won't belabor these points, but BMI's own statements to
11:22:41 21 the PTAB describing here all of the methods of the '175
11:23:04 22 Patent describe the specific cost function that is used
11:23:07 23 within the context of the '175 claims. And it makes clear
11:23:10 24 that that cost function optimizes in an iterative fashion.
11:23:13 25 And that's also echoed by their technical expert, Dr. Chase,

11:23:22 1 in Exhibit 21 at paragraph 52.

11:23:26 2 Mr. Martinez, next slide, please.

11:23:31 3 And again, the intrinsic evidence also confirms
11:23:38 4 that the objective cost function is used in all of the '175
11:23:42 5 claims to optimize a beam arrangement. I'm sorry,
11:23:48 6 Mr. Martinez, slide 19, please. This is again taken from
11:23:54 7 BMI's filings with the PTAB and the underlying text shows
11:23:58 8 that they are discussing the cost function that is used in
11:24:01 9 all of the '175 Patent methods and they are used to optimize
11:24:04 10 a beam arrangement.

11:24:07 11 THE COURT: But you agree that in the PTAB, the
11:24:11 12 PTAB, nobody proposed a construction for cost function and
11:24:15 13 the PTAB didn't actually construe that term; right?

11:24:20 14 MR. WONG: That is correct, Your Honor. And the
11:24:23 15 reason why this term is being raised here is because it's
11:24:27 16 being driven by BMI's infringement theories or at least what
11:24:31 17 we can discern what they are. And just to be candid, it's
11:24:35 18 about the sort of the vague box that BMI has tried to draw
11:24:39 19 as being the objective cost function in the accused
11:24:42 20 products. So that wasn't a dispute that the PTAB could
11:24:46 21 resolve which is why we're raising it here.

11:24:50 22 So we can go to slide 20, Mr. Martinez. And
11:25:00 23 aside from the comments to the PTAB, Your Honor, the
11:25:04 24 prosecution history as well as a declaration submitted by
11:25:10 25 the NOMOS founder, the NOMOS is the precursors to BMI, Mark

11:25:16 1 Carol, Mr. Carol who is also the named inventor on the Carol
11:25:20 2 patent submitted a declaration during the prosecution of the
11:25:24 3 '175 Patent explaining what the cost function in the '175
11:25:31 4 Patent does. And again, here underlined on slide 20 of
11:25:36 5 Varian's presentation, Dr. Carol makes it clear that the
11:25:41 6 cost function determines a beam arrangement and it utilizes
11:25:46 7 an iterative optimization process.

11:25:50 8 THE COURT: What claim -- it says talking about
11:25:53 9 application claim 19. What claim, if any, of the final
11:25:57 10 patent is that?

11:26:01 11 MR. WONG: I believe it is claim 19. And I will
11:26:08 12 confirm that. I believe that it's -- Your Honor, I
11:26:31 13 apologize, I am not sure if that claim is claim 19. We can
11:26:49 14 -- see if I can -- Your Honor, I do not believe that that is
11:26:58 15 claim 19. It looks like it was amended further after this.
11:27:02 16 So it is not --

11:27:04 17 THE COURT: What I'm trying to understand is
11:27:07 18 what were the terms in that claim so that I can evaluate
11:27:11 19 your assertion that this bears on the issue in front of me?

11:27:12 20 MR. WONG: Yes. So that would be -- we can see
11:27:22 21 that in Exhibit 12, and maybe I think Your Honor says you
11:27:27 22 have the joint appendix. It's Exhibit 12 in the joint
11:27:32 23 appendix, and it is at JA-148.

11:27:40 24 THE COURT: 148?

11:27:42 25 MR. WONG: Yes. Has Your Honor found that claim

11:28:08 1 19?

11:28:09 2 THE COURT: Yes.

11:28:13 3 MR. WONG: I would note it is very similar to
11:28:16 4 the asserted claims at issue in this case. It refers to
11:28:22 5 using a cost function for a set of a plurality of intensity
11:28:27 6 maps. And it also refers to the cost function including a
11:28:32 7 dosimetric cost term representing dosimetric fitness of the
11:28:37 8 expected intensity map and the delivery cost term
11:28:41 9 representing delivery time.

11:28:47 10 And so the similarities, Your Honor -- so this
11:28:52 11 is not a completely separate type of claim. The claim goes
11:28:56 12 to exactly what the asserted claims go to as well.

11:29:02 13 THE COURT: Not exactly.

11:29:04 14 MR. WONG: Not exactly, that's correct. And
11:29:08 15 finally, Your Honor, I just wanted to respond -- and we
11:29:11 16 don't need to go over the last two slides here. I just
11:29:16 17 wanted to respond to the comment that BMI's counsel made. I
11:29:31 18 think someone might have muted me by mistake. Can everyone
11:29:40 19 hear me?

11:29:40 20 THE COURT: Yes.

11:29:42 21 MR. WONG: Sorry. I just wanted to respond to
11:29:45 22 BMI's counsel's comment about Varian's expert, Dr. Solberg.
11:29:52 23 BMI's counsel put up a statement from Dr. Solberg stating
11:29:57 24 that the objective cost function in the '175 claims is used
11:30:00 25 by the optimizer. And that is correct. That is sort of how

11:30:05 1 the interplay works between the objective cost function term
11:30:10 2 and the optimizer term. Dr. Solberg did not, however, put
11:30:14 3 forth an affirmative opinion on a construction of objective
11:30:19 4 cost function, and that is simply because there were already
11:30:22 5 declarations from Dr. Chase, who was BMI's expert, as well
11:30:28 6 as Dr. Carol that we put up here that basically defined what
11:30:35 7 the objective cost function is in the '175 claims.

11:30:41 8 And with that, Your Honor, if the Court has no
11:30:43 9 further questions, I can turn it back to BMI's counsel.

11:30:48 10 THE COURT: Okay. Thank you.

11:30:49 11 MR. EDWARDS: Yes, Your Honor, a very quick
11:30:52 12 response and then we'll move on to the next claim term. We
11:30:55 13 hear counsel for Varian -- by the way, can you hear me? I
11:30:59 14 just want to make sure, Your Honor.

11:31:01 15 THE COURT: I can. Thank you.

11:31:02 16 MR. EDWARDS: We're hearing from counsel for
11:31:06 17 Varian that their proposed construction is motivated by some
11:31:10 18 uneasiness about infringement contentions, but that's not a
11:31:14 19 basis for construing claims. We construe claims based on
11:31:18 20 claim construction principles, primarily the intrinsic
11:31:22 21 evidence. The intrinsic evidence that they've pointed you
11:31:25 22 to, Your Honor, is not definitional. It's not a disavowal.
11:31:29 23 And it's not sufficient to graft these additional
11:31:33 24 limitations on to what is otherwise straightforward claim
11:31:37 25 language. The file history excerpts that we have been

11:31:39 1 pointed to and the statement by BMI to the PTAB are general
11:31:43 2 statements, not proposals for constructions and not
11:31:47 3 definitional statements.

11:31:49 4 So with that, unless Your Honor has questions,
11:31:51 5 I'll move on the intensity math term.

11:31:55 6 MR. WONG: Your Honor --

11:31:56 7 THE COURT: I actually -- go ahead, Mr. Wong, go
11:31:59 8 ahead.

11:32:00 9 MR. WONG: I didn't mean to cut you off, Your
11:32:02 10 Honor. I just wanted to make one ten-second response to
11:32:05 11 that. We say this in our brief and it's also on Exhibit 15
11:32:08 12 of the joint appendix. BMI in the prior *Accuray* case had no
11:32:11 13 issues proposing a construction of objective cost function
11:32:14 14 at least for the '283 Patent that provided a detailed
11:32:21 15 description of how that cost function was used to optimize
11:32:24 16 the beam arrangement. So I don't believe that having a
11:32:31 17 construction that reflects the intrinsic record is improper.

11:32:34 18 With that, I will submit.

11:32:37 19 THE COURT: Okay. I think Mr. Edwards, you said
11:32:40 20 intensity math. I think the next term is optimizer.

11:32:50 21 MR. EDWARDS: I misspoke. Let's talk about
11:32:53 22 optimizer, Your Honor. Let me get myself there.

11:32:56 23 THE COURT: This claim I guess I do want to
11:33:00 24 understand why given everything in the intrinsic evidence
11:33:03 25 this one doesn't require some iterative attempt to find a

11:33:12 1 preferred solution.

11:33:14 2 MR. EDWARDS: Your Honor, basically, the
11:33:19 3 intrinsic evidence doesn't amount to any disavowal or
11:33:24 4 lexicography. And those limitations don't appear in the
11:33:29 5 claim language. It's not sufficient to go fishing around in
11:33:34 6 all the intrinsic evidence and other things and say it must
11:33:38 7 be so. If that were true, that would turn *Phillips* on its
11:33:42 8 head. You have to actually find a sufficient justification
11:33:46 9 for graphing additional limitations on to a claim term. We
11:33:51 10 don't see that here. We see Varian pulling statements from
11:33:54 11 left and right and collecting them together to make their
11:33:58 12 case, but none of them really speak to what's required to
11:34:01 13 add additional limitations, there is --

11:34:03 14 THE COURT: What about the statements in the
11:34:05 15 prosecution history where every time they talk about the
11:34:08 16 optimization process or even the cost function part of it,
11:34:11 17 they're talking about it being iterative. Even what we just
11:34:14 18 saw in the declaration on that slide that Varian had up with
11:34:21 19 a declaration from the inventor, he says, you know, look,
11:34:24 20 you're finding this best value through the cost function
11:34:31 21 that's presented during the iterative optimization process.
11:34:42 22 There is no place where they talk about the process that's
11:34:45 23 not part of an iterative process.

11:34:48 24 MR. EDWARDS: Your Honor, I would say that there
11:34:51 25 is no place where they say it must be so. And simply

describing it as such doesn't mean that it should be so limited in the claims. As long as there is support for it, then, or it's the plain and ordinary meaning --

THE COURT: But if it's not iterative, how does it work, just so I understand what the breadth of what you're suggesting to me is?

MR. EDWARDS: An optimizer is what we say it is, it's just attempting to find a preferred solution. If I could point to an example to try and answer your question, I would like to see if I could share my screen again and get the slide up to pull up one of the claims from the '175 Patent. If you'll bear with me for just a moment. It is not allowing that at the moment. Hang on.

Can you see claim 11?

THE COURT: Yes.

MR. EDWARDS: I want to point out two things that contradict --

THE COURT: I get it, I understand your argument that it's not an algorithm because you specified algorithm when you meant algorithm. Focus me on the iterative part.

MR. EDWARDS: The iterative part is something of Varian's making that is not supported by anything in the intrinsic evidence that rises to a definitional statement or to a disavowal saying --

THE COURT: What I'm saying is the problem I

11:36:39 1 have is that every time you talk about the optimization
11:36:46 2 process in the prosecution history and you do it during this
11:36:49 3 iterative optimization process. I'm trying to understand,
11:36:53 4 you're saying that doesn't mean that we limited it, we just
11:36:57 5 kept talking about it as the iterative optimization process.
11:37:00 6 And so what I'm trying to understand is let's say I were to
11:37:07 7 agree with you, what -- I don't even know what the breadth
11:37:11 8 of what I'm saying is. What other kind of way of doing it
11:37:16 9 other than iteratively is there? I'm trying to understand.

11:37:22 10 Like, if this is really an infringement issue,
11:37:27 11 tell me what's not iterative about this. I'm not using this
11:37:31 12 for claim construction, I'm just trying to make sure I have
11:37:34 13 some understanding of the breadth of what you're asking me
11:37:40 14 to do so that I know that I feel comfortable that I can
11:37:45 15 support it.

11:37:46 16 MR. EDWARDS: Your Honor, I can't point you to
11:37:48 17 something in the intrinsic evidence that says here is a
11:37:51 18 noniterative example. Okay? But that question about is it
11:37:57 19 too broad is not only a claim construction question, it's an
11:38:02 20 invalidity question that we don't have to deal with today,
11:38:05 21 Your Honor.

11:38:06 22 THE COURT: But I still need to find some
11:38:08 23 support for saying this; right? I have to look at the
11:38:10 24 intrinsic evidence to see if it supports what you're asking
11:38:12 25 me to do. So that's, you know, part of why I'm asking.

11:38:17 1 MR. EDWARDS: Okay, Your Honor. I don't have
11:38:19 2 more of an answer than I've already given, I'm afraid.

11:38:24 3 THE COURT: Tell me aside from the intrinsic
11:38:27 4 evidence, what other kind of way of doing this is there
11:38:30 5 other iterative? Maybe it's extrinsic evidence. Maybe
11:38:35 6 you're using an example from the real world. Give me some
11:38:38 7 context so I just understand what we're talking about.

11:38:42 8 MR. EDWARDS: I don't have an example from the
11:38:44 9 real world. I'm afraid I don't do this --

11:38:47 10 THE COURT: Let me ask you this. Is the Varian
11:38:51 11 optimization process iterative?

11:38:54 12 MR. EDWARDS: This is a public hearing and I'm
11:39:01 13 not sure we're permitted to --

11:39:03 14 THE COURT: You're going to have to answer a
11:39:05 15 question for me. If you can't do it, don't give me
11:39:07 16 specifics, but tell me. I am trying to understand why is
11:39:13 17 this an issue? Why are we fighting about it? If you're
11:39:16 18 saying there is nothing out there that is not iterative
11:39:19 19 either in the intrinsic evidence or the extrinsic evidence,
11:39:22 20 Judge, I can't tell you anything out there that is not
11:39:25 21 iterative, then I don't understand what the fight is, so I
11:39:28 22 need to understand.

11:39:31 23 MR. EDWARDS: So I believe that Varian's system
11:39:35 24 is iterative.

11:39:38 25 THE COURT: Can you tell me why we're fighting

11:39:39 1 about this?

11:39:40 2 MR. EDWARDS: I'm afraid I would ask Varian that
11:39:43 3 question because they're the ones proposing iterative. They
11:39:47 4 have to justify adding additional limitations when they
11:39:50 5 didn't appear in the claim. They're saying they don't have
11:39:54 6 sufficient justification under claim construction
11:39:57 7 principles.

11:39:58 8 THE COURT: Let me ask Varian why we are
11:40:00 9 fighting about this.

11:40:02 10 MR. WONG: This is Ryan Wong for Varian. We're
11:40:04 11 fighting about this because of the infringement contentions,
11:40:07 12 Your Honor. Two things, number one, they haven't clearly
11:40:10 13 identified what the optimizer is, but more concerning, Your
11:40:14 14 Honor, in terms of what they have included in what they're
11:40:18 15 accusing, there are things that are not part of any sort of
11:40:21 16 iterative optimization process. There are things that they
11:40:24 17 have drawn the box around that would be outside of the
11:40:32 18 optimization loop. I think optimization loop is something
11:40:34 19 the prosecution history uses as a synonym for the iterative
11:40:40 20 optimization process. So that's our concern, Your Honor.
11:40:42 21 They have identified things that we believe are clearly
11:40:45 22 outside of any sort of optimization loop or iterative
11:40:52 23 optimization process.

11:40:54 24 THE COURT: All right. Let's go back and go
11:40:58 25 ahead, Mr. Edwards, you can finish your argument.

11:41:01 1 MR. EDWARDS: I have nothing more to add, Your
11:41:03 2 Honor, on this term.

11:41:04 3 THE COURT: All right. Mr. Wong?

11:41:06 4 MR. WONG: Yes, Your Honor. And I certainly
11:41:15 5 agree with Your Honor's concern. And Your Honor has
11:41:20 6 reviewed the prosecution history that we have briefed and
11:41:24 7 the slides, so I won't belabor that, Your Honor. Perhaps
11:41:30 8 just the one slide I would focus on --

11:41:33 9 THE COURT: Can you tell me, though, how am I
11:41:35 10 supposed to use that? I mean, I'm not sure that it rises to
11:41:43 11 the level of a clear disclaimer or a definition, but I can
11:41:47 12 use it in -- you know, under *Phillips* to look at what the
11:41:54 13 patentee thought the terms meant. Tell me how am I using
11:42:00 14 this that I'm not just reading in embodiments or I'm not
11:42:05 15 doing something that is inappropriately limiting the claim.

11:42:12 16 MR. WONG: Yes, Your Honor. This is two lines
11:42:15 17 of cases and two cannons of claim construction that support
11:42:18 18 Varian's construction. The first, is under the *Gentry*
11:42:22 19 *Gallery and Ruckus Wireless* line of cases which we cite in
11:42:25 20 our brief and those cases stand for the proposition that a
11:42:29 21 claim can be no broader than the supporting disclosures.
11:42:34 22 And as Mr. Edwards noted, there is no way to do what the
11:42:39 23 so-called optimizer does unless it is iterative.

11:42:44 24 And in addition, all of the embodiments -- it's
11:42:49 25 not a preferred embodiment. All of the embodiments of the

optimizer in the intrinsic record say that it has to be an iterative optimization process. So the *Gentry Gallery and Ruckus Wireless* line of cases alone would support adopting Varian's construction.

In addition to that, Your Honor, the line of cases that we also cite, that's the *Board of Regents v. University of Texas* -- I'm sorry, *Board of Regents of the University of Texas v. BENQ*, that line of cases talk about statements that a patentee makes during the prosecution of a patent where a claim term is given certain meaning to overcome prior art, and that's exactly what has happened here. And importantly, Your Honor, that *BENQ* case, B-E-N-Q, focuses on when a claim term has been added to the claims and pointed to as a purported point of novelty. And the optimizer was added to claims at the same time the patentee made this argument to try to distinguish this claim over *Pirzkoll*, P-I-R-Z-K-O-L-L. And as shown on slide 26, Mr. Martinez, of Varian, the patentee argued that the claims were distinct from the *Pirzkoll* prior art reference because of its improvements to the optimization loop performed by the optimizer. And the optimizer was added to the claims as part of that. So that is part of the problem with BMI's construction is that it basically turns optimizer into a complete nonlimitation because under their construction they could simply point to the linear accelerator machine and say

11:44:58 1 ha, that's the optimizer, whereas in the file history they
11:45:01 2 argued that mechanical improvements are what discontinuing
11:45:06 3 these claims over the *Pirzkoll* reference, but it's actually
11:45:10 4 these improvements within the optimization loop performed by
11:45:15 5 the optimizer.

11:45:16 6 Because of these statements and because they
11:45:18 7 point to the optimizer as a point of novelty and add it to
11:45:22 8 the claims at the same time they made these arguments the
11:45:25 9 *BENQ* line of cases supported in our briefing would support
11:45:30 10 adopting Varian's proposed construction.

11:45:34 11 THE COURT: Okay.

11:45:38 12 MR. WONG: I don't think I have anything else to
11:45:39 13 add to my argument, Your Honor, unless Your Honor has any
11:45:42 14 questions.

11:45:43 15 THE COURT: Nope.

11:45:51 16 Mr. Edwards.

11:45:55 17 MR. EDWARDS: Yes, Your Honor. We can move on
11:45:57 18 to intensity map. Let me again attempt to share my screen.
11:46:24 19 So Your Honor can hear me?

11:46:25 20 THE COURT: Yes, I can hear you and I can see
11:46:28 21 your screen. I got to tell you on this one, I really don't
11:46:31 22 understand what the dispute is because you did suggest in
11:46:32 23 your papers that you deal with this from -- at a gantry
11:46:42 24 angle. So this one again I don't understand what the
11:46:50 25 problem is, why we're having a dispute that is actually a

11:46:56 1 meaningful dispute as opposed to well we just don't really
11:47:00 2 like the words.

11:47:01 3 MR. EDWARDS: Well, Your Honor, our proposed
11:47:02 4 construction is the plain and ordinary meaning as found by
11:47:08 5 the PTAB.

11:47:10 6 THE COURT: But isn't the intensity map done at
11:47:16 7 from a single gantry angle? You said that in describing the
11:47:20 8 background of how these things work. So that's where I'm
11:47:23 9 just not sure I understand, why am I spending my time on
11:47:28 10 this when it seems like what they're saying is factually
11:47:34 11 correct?

11:47:35 12 MR. EDWARDS: Well, I believe the normal way to
11:47:40 13 do it is at a particular gantry angle, but that is not
11:47:46 14 necessarily the only way. And the claims do not require
11:47:48 15 that to be the only way.

11:47:49 16 THE COURT: And do the claims add enough support
11:47:52 17 to do it from some other way other than from a gantry angle?
11:47:57 18 Are you going to have some enablement issues? Are you
11:48:01 19 saying yeah, you can do it from multiple angles? I don't
11:48:04 20 even know what you're saying. Are we then going to get into
11:48:08 21 additional 112 arguments on the written description
11:48:11 22 enablement because you're saying something that is maybe
11:48:15 23 hypothetically possible, but has no actual bearing in this
11:48:19 24 case?

11:48:20 25 MR. EDWARDS: We don't know whether Varian will

11:48:22 1 raise that as an invalidity issue, so it's hard for me to
11:48:27 2 speak to that. I do think the example that Your Honor just
11:48:31 3 provided speaks to why the PTAB made this decision at a
11:48:41 4 single gantry angle. It feels gratuitous coming from Varian
11:48:46 5 now to tack this on now to their prior construction. They
11:48:50 6 have abandoned the dose distribution thing, and now they're
11:48:54 7 sort of siding up to the PTAB construction but then tacking
11:48:58 8 this additional piece on.

11:49:00 9 Frankly, when they were talking about to the
11:49:02 10 PTAB about what's the plain and ordinary meaning of this,
11:49:05 11 they said nothing about it being at a particular gantry
11:49:08 12 angle. We can look in the PTAB decision at what they said.
11:49:11 13 They are talking about it being at a single beam and here in
11:49:14 14 slide 136 is a pullout from the institution decision talking
11:49:21 15 about Dr. Solberg, and what he said. He's talking about it
11:49:25 16 being a single beam, but he's not going out of his way to
11:49:29 17 talk about it being from a single gantry angle. And it
11:49:31 18 feels to us like the burden on Varian to really testify why
11:49:34 19 they want to tack this additional limitation on. The plain
11:49:40 20 and ordinary meaning as construed as we are offering is what
11:49:42 21 the PTAB has concluded. And we think it's the right one.
11:49:51 22 We don't think further adornment is necessary. If there is
11:49:52 23 going to be some sort of 112 issue down the road, that's up
11:49:54 24 to Varian, and that's a different burden of proof, et
11:50:00 25 cetera.

11:50:06 1 THE COURT: All right.

11:50:08 2 MR. EDWARDS: Just to touch on Varian's
11:50:11 3 alternative dose distribution construction, they may have
11:50:15 4 abandoned it by now, but they kept it in as an alternative
11:50:19 5 at least up until now. The same reasoning applies, the PTAB
11:50:26 6 considered those exact same arguments and rejected them.
11:50:30 7 It's now, again, this is intrinsic evidence that this is the
11:50:34 8 proper construction of this claim, and when you're
11:50:37 9 confronted with intrinsic evidence that is directly on
11:50:41 10 point, it is hard to overcome that with statements that
11:50:47 11 aren't otherwise definitional or clear disavowals under the
11:50:53 12 *Phillips* standards, under standard claim construction
11:50:59 13 principles. So we think our construction is the correct
11:51:01 14 one, the PTAB agreed, and we think that's the one the Court
11:51:04 15 should go with without the additional gantry angle
11:51:08 16 limitation.

11:51:12 17 THE COURT: Okay.

11:51:13 18 MR. EDWARDS: With that I will turn it over. I
11:51:15 19 don't have anymore to add from the briefs than that.

11:51:17 20 THE COURT: Mr. Wong?

11:51:19 21 MR. WONG: Yes. I take it Your Honor does not
11:51:21 22 have any advanced questions for me?

11:51:23 23 THE COURT: I do not. Thank you.

11:51:25 24 MR. WONG: Okay. Your Honor, I do want to
11:51:27 25 clarify that we have not abandoned the alternative

11:51:31 1 construction. And I'm not going to spend any time actually
11:51:37 2 arguing it, but I want to make it clear that the reasons why
11:51:40 3 we proffered that alternative construction or an original
11:51:45 4 construction, representations of dose distribution is
11:51:48 5 because the claims don't make sense if intensity map is
11:51:54 6 given its customary meaning. However, to try to narrow
11:52:00 7 disputes for claim construction and basically postpone our
11:52:07 8 arguments about the nonsensical nature of these claims to an
11:52:13 9 invalidity defense under Section 112, we worked with BMI to
11:52:20 10 try to narrow this for the Court for claim construction.

11:52:23 11 So that's -- I just want to make it clear that
11:52:26 12 Varian hasn't abandoned its original construction, but we
11:52:30 13 are sort of trying to find the path of least resistance
11:52:34 14 while preserving our 112 arrangements under the customary
11:52:40 15 construction.

11:52:40 16 Turning now to the dispute over the customary
11:52:44 17 construction, you know, we believe and I think BMI also
11:52:50 18 agrees because they said it in their briefing in the *Electa*
11:52:54 19 case, slide 35, in the *Electa* case that each intensity map
11:53:00 20 is representative of radiation to be delivered from a single
11:53:04 21 gantry angle. And that shouldn't be a factual dispute, that
11:53:10 22 is a fact. And their own expert, slide 36, please,
11:53:20 23 Mr. Martinez, and their own expert also confirms, Dr. Chase,
11:53:24 24 that each intensity map is associated with a single beam at
11:53:30 25 particular gantry angles.

11:53:36 1 And I also want to point out BMI's counsel sort
11:53:40 2 of implied that Varian's expert, Dr. Solberg, didn't touch
11:53:47 3 upon the gantry angle point and simply said single beam, but
11:53:53 4 that's actually not correct. In Dr. Solberg's actual
11:53:57 5 declaration in paragraph 45, he did make it clear that each
11:54:03 6 intensity map is associated with a given number of fixed
11:54:07 7 beam positions which is also what he says in the declaration
11:54:14 8 supporting Varian's claim construction brief here. And
11:54:18 9 that's at paragraph 49 of Exhibit 29 of the joint appendix,
11:54:23 10 that's Dr. Solberg's declaration.

11:54:28 11 So also with the PTAB, Dr. Solberg made it clear
11:54:34 12 that when he meant single beam, that he meant that that
11:54:37 13 meant from a single beam position. And what he said in the
11:54:41 14 PTAB declaration is the same as what he says here. So there
11:54:47 15 is no inconsistency there is my point.

11:54:51 16 So we believe that this clarification that an
11:54:57 17 intensity map represents variation across a defined area of
11:55:03 18 radiation of a single beam from a single gantry angle is
11:55:07 19 correct, and there is really no factual dispute that that is
11:55:11 20 correct.

11:55:14 21 And with that I'll submit.

11:55:16 22 THE COURT: Okay. Fifth and final term.

11:55:30 23 Mr. Edwards?

11:55:35 24 MR. EDWARDS: Yes, Your Honor. Can you hear me?

11:55:38 25 THE COURT: Yes.

11:55:37 1 MR. EDWARDS: Can you see my slide for the '490
11:55:42 2 Patent on the screen?

11:55:43 3 THE COURT: I can. Thank you.

11:55:44 4 MR. EDWARDS: Okay. There is basically one
11:55:47 5 dispute going on here. Our position is there is really no
11:55:52 6 basis in the intrinsic evidence to tack on the gantry angle
11:55:58 7 limitations here either. I think there is not much that I
11:56:03 8 wish to add to the briefs except I did notice one thing, and
11:56:07 9 if you'll look with me at claim 10.

11:56:10 10 THE COURT: I already noticed that. I was going
11:56:12 11 to ask you about that. Actually, I was going to ask Varian
11:56:14 12 about that. Doesn't that suggest that if they meant to say
11:56:16 13 at a particular radiation beam delivery angle or gantry
11:56:21 14 angle, you knew how to say it?

11:56:21 15 MR. WONG: Sorry, Jeremy.

11:56:29 16 MR. EDWARDS: Your Honor, that's of course my
11:56:31 17 point and are you asking that of Varian right now?

11:56:35 18 THE COURT: No, I was going to ask if that was
11:56:37 19 the point you were about to make and then to assure you that
11:56:41 20 I was going to ask it of Varian.

11:56:43 21 MR. EDWARDS: Yes, thank you. You made my
11:56:45 22 point. You understand it. I won't belabor it. The other
11:56:48 23 thing I want to add is it seems like this proposed
11:56:51 24 construction by Varian is moot. The parties agree that
11:57:01 25 collimator angle and gantry angle are different things. And

11:57:06 1 Varian trying to add a clarification in its proposed
11:57:10 2 construction doesn't exist anymore. They said they thought
11:57:13 3 we were connoting these two different angles and it's clear
11:57:18 4 that we're not. I'm not sure why they're still advocating
11:57:22 5 for it.

11:57:22 6 THE COURT: Let me ask you a question because I
11:57:24 7 was trying to figure out, I was trying to figure out what
11:57:28 8 the issue was here when I was reading through the papers,
11:57:32 9 and I guess my question was, are you saying that if the
11:57:34 10 collimator angle never changes, let's say you cannot change
11:57:41 11 the collimator angle, but you change something else like the
11:57:47 12 gantry angle or the leaf positions to adjust the beams,
11:57:51 13 would that fall into determining a collimator angle in the
11:57:57 14 claims?

11:57:58 15 MR. EDWARDS: Let me make sure I understood the
11:58:00 16 question before I answer it. You're asking if you leave the
11:58:03 17 collimator alone--

11:58:05 18 THE COURT: Let's say the collimator does not
11:58:07 19 move and you know, so yeah, it can either be you leave it
11:58:12 20 alone or you couldn't move it even if you wanted to, the
11:58:15 21 angle of it you can't move, but you can change the gantry
11:58:20 22 angle or the leaf position to adjust the beam, does that
11:58:23 23 fall within the determining the collimator angle as you read
11:58:24 24 it?

11:58:25 25 MR. EDWARDS: Well, moving these things is

11:58:30 1 different than determining the angle at whatever point in
11:58:35 2 the process you're determining it. But to your point, I
11:58:40 3 think what you're asking, the collimator doesn't rotate or
11:58:44 4 change the collimator angle, but it stays fixed with respect
11:58:48 5 to collimator angle and the gantry moves. Is that
11:58:52 6 tantamount to determining or adjusting the collimator angle?

11:58:58 7 THE COURT: Yes.

11:59:03 8 MR. EDWARDS: The answer is no, you're moving
11:59:05 9 the gantry. Now the beam's eye view will be different
11:59:11 10 depending on the gantry angle. The angle of attack for the
11:59:17 11 collimator leaf pairs is what changes when you change the
11:59:21 12 collimator angle. I'm hoping that answers your question
11:59:25 13 that merely by adjusting the gantry angle doesn't nearly
11:59:32 14 translate to adjusting the collimator angle.

11:59:34 15 THE COURT: Okay. And then in your proposal you
11:59:42 16 changed the word "angle" to "position." Do we need that
11:59:48 17 changed?

11:59:49 18 MR. EDWARDS: That's a nonissue, Your Honor. We
11:59:51 19 don't think there is any disagreement about those two terms.
11:59:55 20 I don't think it was briefed as something that was a point
11:59:58 21 of contention. I think it was a word choice that doesn't
12:00:04 22 need to be hashed out one way or the other.

12:00:07 23 THE COURT: Okay.

12:00:12 24 So Mr. Wong, based on what you just heard, do we
12:00:16 25 really have a disagreement on this term?

12:00:18 1 MR. WONG: Actually, Your Honor, I am leaning to
12:00:22 2 say no because Your Honor actually asked the question that
12:00:25 3 really gets to the heart of Varian's concern which is if you
12:00:34 4 know optimizing or making changes to the gantry is going to
12:00:38 5 be something that BMI is going to say well, you're sort of
12:00:42 6 changing the collimator angle at that point, so we can point
12:00:45 7 the gantry angle optimizations for these claims, which you
12:00:51 8 know, just to be frank, some aspects of their infringement
12:00:55 9 contentions do just that. And that was the motivation for
12:00:58 10 this construction, to make it clear that BMI couldn't try to
12:01:01 11 look at gantry angle techniques and basically say well,
12:01:04 12 because the collimator is moving, the collimator angle is
12:01:11 13 being changed. Now I have heard BMI say that those two are
12:01:14 14 completely different and when you change or do anything with
12:01:21 15 the gantry angle, that is not the same thing as optimizing a
12:01:24 16 collimator angle. If BMI -- if that is BMI's position, then
12:01:31 17 I actually agree that this is probably moot. But that was
12:01:34 18 the motivating concern.

12:01:41 19 THE COURT: So let me just make sure I
12:01:44 20 understand. Mr. Edwards, it seemed like you said everyone
12:01:47 21 agrees that the gantry angle is different from the
12:01:50 22 collimator angle and that changing the gantry angle is not
12:01:53 23 the same as changing or selecting the collimator angle. Is
12:02:00 24 that correct?

12:02:03 25 MR. EDWARDS: Yes, Your Honor.

12:02:04 1 THE COURT: Okay. So I think that if we have
12:02:06 2 that agreement, then do we also have an agreement that we
12:02:10 3 don't need to construe this term or at least that we
12:02:14 4 certainly don't need to construe it to add on the additional
12:02:18 5 language at a particular gantry angle that the Defendants
12:02:22 6 have proposed?

12:02:23 7 MR. WONG: Your Honor, speaking for Varian, I
12:02:26 8 think we will be fine with that. However, I will say that
12:02:29 9 just to reserve the possibility that this might pop up in an
12:02:31 10 infringement dispute, if it looks down the road that BMI is
12:02:40 11 trying to point to optimization techniques towards the
12:02:47 12 gantry angle and trying to conflate the two, this issue may
12:02:51 13 pop up again. That might be an infringement issue or a
12:02:55 14 claim construction issue. It sort of straddles the two.

12:02:58 15 THE COURT: All right. Sounds to me like it
12:03:00 16 would probably be an issue of infringement and whether or
12:03:04 17 not there is a change being made. But in any event, I take
12:03:12 18 your point. I'm going to assume that we have agreement that
12:03:15 19 this term means less a rotational angle of the multi-leaf
12:03:20 20 collimator and to the extent that an issue arises down the
12:03:30 21 line, I will trust the parties to bring it to my attention.

12:03:35 22 MR. WONG: Thank you, Your Honor.

12:03:38 23 MR. EDWARDS: Thank you, Your Honor.

12:03:39 24 THE COURT: Okay. So I do want to hear from the
12:03:42 25 parties on the motion to dismiss and the motion to stay, but

12:03:50 1 I would like to go back, there is a couple of cases that
12:03:54 2 have been cited that we would like to read and see if I can
12:03:59 3 address the remaining claim terms before we get to those
12:04:07 4 motions. So what I would like to do is take a break now,
12:04:10 5 get off the call. I will try to get everything that we need
12:04:16 6 to look at done by 12:45 or so, so I will ask you all to get
12:04:22 7 back on the line around 12:45, and we will get back on as
12:04:28 8 soon after that as we are able. And then after we deal with
12:04:33 9 the claim construction issues, I'll hear from the parties on
12:04:36 10 the motion to dismiss and the motion to stay. Any questions
12:04:41 11 about that?

12:04:44 12 MR. LAM: Yes, Your Honor. This is Lee Lam for
12:04:46 13 the Defendant, Varian parties. Your Honor raised a question
12:04:49 14 that was prompted by an argument that BMI counsel made today
12:04:53 15 about computer terminology, whether it's being used
12:04:56 16 consistently in the claims. This wasn't in the briefing,
12:04:59 17 but we have since scoured the cases we have already cited.
12:05:04 18 I want to bring one case to Your Honor. This was cited at
12:05:07 19 our joint brief on page 40 of the joint brief, it's an
12:05:12 20 Eastern District of Texas case called *St. Isidor Research v.*
12:05:20 21 *Comerica*. The Westlaw citation is 2016 W L4988246. In that
12:05:30 22 case, Your Honor, which we previously cited, but not for the
12:05:40 23 proposition that Your Honor inquired about earlier today, in
12:05:47 24 response to which I said Your Honor that logically speaking
12:05:52 25 within the same claim, of course the same term has to be

12:05:55 1 construed consistently. In this instance, in the
12:05:59 2 *St. Isidore* instance, I'll give Your Honor the pincite, it's
12:06:03 3 asterisk, per the Westlaw case citation, Your Honor.

12:06:08 4 THE COURT: I see it, 14.

12:06:10 5 MR. LAM: Let me just share my screen and I'll
12:06:13 6 show you because I don't want to give the page number
12:06:23 7 incorrect. Can Your Honor see what we've highlighted here
12:06:29 8 in the *St. Isidore* case?

12:06:32 9 THE COURT: Yes.

12:06:33 10 MR. LAM: So what we've highlighted here is
12:06:35 11 apparently at least the Eastern District of Texas court left
12:06:37 12 room for specific purpose treatment of the same claim term.
12:06:40 13 In that instance the term was processor, and here you have
12:06:43 14 the court saying that in most instances, depends on the
12:06:46 15 functional recitation, the processor term by itself was
12:06:49 16 fine. But in other instances where the recited function was
12:07:00 17 more specific, the processor term by itself wasn't. So
12:07:03 18 apparently at least one court has treated the same term for
12:07:06 19 specific purposes and that is based on that court's decision
12:07:09 20 whether or not to apply *Williamson* and Section 112(6).

12:07:20 21 THE COURT: Okay. We will take a look at that
12:07:23 22 further as well.

12:07:30 23 MR. LAM: Thank you, Your Honor.

12:07:33 24 THE COURT: All right. And thank you for
12:07:36 25 pointing that out. So we'll take a break. We'll come back

12:07:43 1 at close to 12:45 as we are able. Thanks very much.

12:07:49 2 (A brief recess was taken.)

12:48:27 3 THE COURT: Can you hear me now?

12:48:32 4 MR. EDWARDS: Yes, Your Honor, I can hear you.

12:48:34 5 THE COURT: Thanks, everyone. Thank you for
12:48:38 6 getting back on the line promptly and thank you for the
12:48:41 7 arguments that you made today.

12:48:50 8 At issue in this case, we have four patents and,
12:48:52 9 after the argument, we have four terms in dispute. I am
12:48:57 10 prepared to rule on each of those disputes today. I will
12:48:58 11 not be issuing a written opinion, but I will issue an order
12:49:02 12 stating my rulings. I want to emphasize before I announce
12:49:03 13 my decisions that, although I am not issuing a written
12:49:06 14 opinion, we have followed a full and thorough process before
12:49:09 15 making the decisions I am about to state. I have reviewed
12:49:13 16 the '283, '096, '490 and '175 Patents, and the portions of
12:49:20 17 the prosecution history and the IPR, as well as the other
12:49:23 18 materials, in the joint appendices, including expert
12:49:27 19 declarations. Both sides submitted tutorials about the
12:49:32 20 technology at issue. There was full briefing on the
12:49:34 21 disputed issues and there has been argument here today. All
12:49:37 22 of that has been carefully considered.

12:49:40 23 Now, as to my rulings. I am not going to read
12:49:43 24 into the record my understanding of claim construction law.
12:49:45 25 I have a legal standard section that I have used earlier,

including in my relatively recent order in *Quest Diagnostics Investments LLC v. Laboratory Corporation of America Holdings*, C.A. No. 18-1436(MN). I incorporate that law and adopt it into my ruling today and I will also set it out in the order that I issue.

As to the person of ordinary skill in the art, there are slight differences in the proposals but there has not been any argument that proposed differences in who that person may be are relevant to claim construction.

The first disputed term is "computer . . . to computationally" obtain, change, or calculate specified aspects of the radiation beam arrangement or weights found in various claims of the '283 and '096 Patents. Plaintiff proposes that the term "computer" should have its plain and ordinary meaning or, if a construction is required, that it means "a programmable electronic device that can store, retrieve, and process data." Defendants assert that the word "computer" should be construed pursuant to 35 U.S.C. § 112, ¶ 6 and then propose structures and functions for each of the variations of the term.

Here, I agree with Plaintiff and conclude that the "computer" terms are not subject to § 112, ¶ 6. First, I note that there is a rebuttable presumption that § 112, ¶ 6 does not apply in situations where, as here, the word "means" is absent from the claim term at issue. That

presumption may be overcome if Defendants "demonstrate[] that the claim term fails to recite sufficiently definite structure" or if they demonstrate that the claim "recites function without sufficient structure for performing that function." Defendants have failed to make that showing.

The inquiry here is whether the "computer" recited in the claims of the '283 and '096 Patents connotes sufficiently definite structure to a person of ordinary skill in the art. "That determination must be made under the traditional claim construction principles, on an element-by-element basis, and in light of evidence intrinsic and extrinsic to the asserted patents."

Here, the term "computer" as used in the claims is sometimes followed by functional language and sometimes not. There is no argument that the computer is a different computer at different points. And there has been no Federal Circuit case law cited to support the argument that the references to "computer" when it is not followed by functional language are subject to § 112, ¶ 6 or that such a "computer" is transformed into one subject to § 112, ¶ 6 when the computer is later given a function.

In addition, I find that there is sufficiently definite structure for the claims to avoid being subject to § 112, ¶ 6. In the claims themselves, there are references to "partial volume data . . . entered directly into the

computer," data "graphically entered into the computer using a pointing device," "entering the desired partial volume data into a computer," and "a conformal radiation therapy apparatus in communication with the computer."

These references suggest components connected to or communicating with the computer, and evidence the structural nature of the computer.

The specification also provides examples of physical structures for the claimed computer. For example, the '096 Patent refers to a "conventional computer or set of computers" and also states that a "suitable computer is utilized" and gives as an example a "programmable 150 Mhz pentium computer with four symmetric multiprocessors, running the Sun Solaris Operating System, and having 256 megabytes RAM."

And, finally, although not dispositive, I note that in its decision to institute review of the '096 Patent, the PTAB did not apply § 112, ¶ 6 to the term "computer" in the claims addressed, agreeing that "an ordinarily skilled artisan would have readily understood what a computer is."

Thus, I will construe the "computer . . . to computationally" obtain, change, or calculate specified aspects of the radiation beam terms in the claims of the '283 and '096 Patents to have its plain and ordinary meaning.

12:55:53 1 The second disputed term is "objective cost
12:55:56 2 function" in claims 13, 15, and 19 of the '175 Patent.
12:56:02 3 Plaintiff asserts that the term has its plain and ordinary
12:56:05 4 meaning, which is "mathematical function that determines a
12:56:09 5 value based upon factors." Defendants propose that it means
12:56:13 6 "mathematical function that determines a numerical value
12:56:18 7 based on factors used to iteratively optimize a beam
12:56:23 8 arrangement."

12:56:23 9 The crux of the dispute is whether the value
12:56:27 10 determined must be "numerical" and whether the mathematical
12:56:31 11 function in question must be based on factors used to
12:56:34 12 iteratively optimize a beam arrangement.

12:56:37 13 Here, I will construe the term to mean a
12:56:40 14 "mathematical function that determines a cost value based
12:56:44 15 upon objective factors."

12:56:47 16 This is consistent with the ordinary meaning of
12:56:51 17 the words themselves as understood by persons of skill in
12:56:54 18 the art as we have seen in the declarations submitted.

12:56:57 19 This construction is also supported by the
12:57:01 20 intrinsic evidence. The claims of the '175 Patent,
12:57:04 21 including asserted claim 19, use the word "value" and
12:57:07 22 correlate that "value" with cost. Additionally, the '096
12:57:11 23 Patent, which is incorporated into the '175 Patent by
12:57:14 24 reference, states that "[e]xisting methods and apparatus
12:57:17 25 utilize a computational method of establishing optimized

12:57:26 1 treatment plans based on an objective cost function that
12:57:29 2 attributes costs of radiation of various portions of both
12:57:35 3 the tumor and surrounding tissues, or structures."

12:57:38 4 I will not include in the construction the
12:57:48 5 additional language proposed by Defendants. With the
12:57:50 6 addition of that language, it appears that Defendants go
12:57:53 7 beyond what the claimed objective cost function is to
12:57:56 8 describe what the cost function is used for and how it is
12:57:59 9 used.

12:58:00 10 Defendants assert that Plaintiff's construction
12:58:02 11 is so broad as to describe any mathematical equation. As
12:58:07 12 used in the claims, however, the objective cost function is
12:58:10 13 not so unlimited. For example, the asserted claims require
12:58:14 14 that the objective cost function include a "dosimetric cost
12:58:20 15 term and the delivery cost term." All of the parties agree
12:58:23 16 to that.

12:58:24 17 Defendants rely on Plaintiff's statements
12:58:28 18 opposing institution of IPR. The statements that Defendants
12:58:31 19 point to, however, generally discuss the claims and the
12:58:35 20 patent. The statements do not clearly define what a cost
12:58:38 21 function is. And indeed, in connection with the petition
12:58:41 22 for IPR, the cost function term was never defined.

12:58:42 23 Defendants also rely on a declaration from the
12:58:50 24 inventor Carol during prosecution of the '175 Patent. I do
12:58:52 25 not view those statements as clearly defining a cost

function to iteratively optimize a beam arrangement. The statements do not say that the cost function itself is iterative; rather, they focus on the process.

Finally, Defendants' citations to the specification are generally citations to embodiments of the invention rather than a definition of the invention. The Federal Circuit has cautioned against reading embodiments in the specification into the claims. I will heed that caution.

The third disputed term is "optimizer" also in claims 13, 15, and 19 of the '175 Patent. Plaintiff proposes that the word should be given its plain and ordinary meaning or, if a construction is required, that it means "program or device that attempts to find a preferred solution." Defendants propose the construction "iterative optimization algorithm."

Here, I will construe "optimizer" to mean a "program or device that iteratively attempts to find a preferred solution."

This, again, is supported by the intrinsic evidence, which only ever addresses optimization as being iterative. For example, at column 9, beginning at line 29, the '283 Patent, which is incorporated by reference into the '175 Patent, states: "The optimizer of the present invention computes an optimized treatment plan, or beam

13:00:36 1 arrangement The optimal beam arrangement is arrived
13:00:40 2 at by computationally increasing the proposed beam weight
13:00:46 3 iteratively"

13:00:47 4 Similarly, during prosecution of the '175
13:00:49 5 Patent, the patentee described the delivery cost term as
13:00:53 6 being "used by the optimizer to evaluate each potential
13:00:57 7 intensity pattern to thereby determine the optima (best
13:01:02 8 value) of the objective function to determine a beam
13:01:06 9 arrangement . . . to be presented to the clinician during
13:01:09 10 the iterative optimization process."

13:01:12 11 The patentee also referred to the "optimizer" as
13:01:17 12 "the optimization loop" that "optimize[s] a radiation
13:01:22 13 treatment plan," further confirming the iterative operation
13:01:25 14 of the optimizer. And the patentee amended the claims to
13:01:31 15 include the term "optimizer" in order to distinguish the
13:01:34 16 prior art during prosecution, and successfully argued that
13:01:38 17 the '175 invention pertains to "improvements within the
13:01:43 18 optimization loop . . . performed by the optimizer" and not
13:01:46 19 "mechanical improvements."

13:01:49 20 In recent filings, Plaintiff also referenced the
13:01:52 21 iterative nature of the optimizer, stating that the '175
13:01:56 22 invention "utilize[s] a cost function that considers[,] at
13:02:00 23 each iteration of an optimizer," both dosimetric fitness and
13:02:04 24 delivery efficiency.

13:02:08 25 I will not limit the "optimizer" claimed to an

algorithm. Certain claims, such as claim 11, specifically reference optimization algorithms. And thus it appears that when the patentee meant for the optimizer to be an algorithm, he stated that. He did not do so in the claims at issue here.

I also note that limiting the optimizer to an algorithm is not supported by the specification. Indeed, in the Summary of the Invention, it refers to three methods for enabling user control of the tradeoff between dosimetric fitness and delivery efficiency. Each of those references optimization, but only one - the third - references choosing an optimization algorithm.

The fourth disputed term is "intensity map[s]" again in claims 13, 15, and 19 of the '175 Patent. Plaintiff proposes this term means "a representation of the variation across a defined area of radiation of a single beam." Defendants originally proposed the construction "representation[s] of dose distribution." But during discussions aimed at narrowing the disputes, Defendants proposed the construction "a representation of the variation across a defined area of radiation of a single beam from a single gantry angle," thus adopting Plaintiff's construction with the addition of the words "from a single gantry angle."

Here, I agree with Plaintiff and will construe the term to mean "a representation of the variation across a

defined area of radiation of a single beam."

This is consistent with the ordinary meaning of the term as recognized by the PTAB in denying the petition to institute IPR.

Defendants have not cited anything in the specification, claims, or prosecution history that clearly requires that the language "from a single gantry angle" be added to the ordinary meaning.

The fifth and final disputed term is "determine [a/the] collimator angle of [a/the] multileaf collimator" in claims 4, 17, and 18 of the '490 Patent. During the hearing the parties reached agreement that this term means "select [a/the] rotation angle of [a/the] multileaf collimator." And in coming to that agreement, both sides agreed that a gantry angle is different from a collimator angle and that changing the gantry angle is not the same as changing the collimator angle.

So with that, I believe that addresses the issues we had for claim construction for today.

Are there any questions about that?

MR. EDWARDS: Not from Plaintiff, Your Honor.

THE COURT: All right. Thank you. So now I would briefly like to hear on the motion -- let me hear on the motion to stay first. Who is going to handle that for the defendant?

13:05:25 1 MS. ALLEN: Good morning, Your Honor. Julia
13:05:28 2 Allen on behalf of the Varian defendants.

13:05:30 3 THE COURT: Okay.

13:05:31 4 MS. ALLEN: Varian ask that the Court grant its
13:05:34 5 motions to stay in its entirety because this case is now at
13:05:36 6 a natural pausing point and a stay pending *inter partes*
13:05:41 7 review will conserve the parties' and the Court's time and
13:05:45 8 resources while creating no undue prejudice to BMI or any
13:05:50 9 unfair advantage to Varian. In considering this motion,
13:05:53 10 it's important that the Court keep the history and context
13:05:57 11 of this case in mind.

13:05:59 12 This is a case where BMI waited years and years
13:06:03 13 to assert the patents-in-suit such that two patents are now
13:06:06 14 expired and over seventy percent of the asserted claims in
13:06:10 15 this case are in those expired patents. This is also a case
13:06:14 16 where BMI and Varian are not direct competitors. On top of
13:06:18 17 all of that, the most burdensome aspects of this case remain
13:06:21 18 ahead and there is substantial overlap between two of the
13:06:25 19 patents that are not subject to IPR proceedings and the '096
13:06:29 20 Patent for which the IPR proceedings have been instituted.

13:06:33 21 I will walk through the three factors that
13:06:37 22 courts consider in determining whether to exercise
13:06:41 23 discretion to stay a case pending IPR to show why a stay is
13:06:45 24 merited here unless the Court would like me to address any
13:06:49 25 specific issues or questions first.

13:06:54 1 THE COURT: No, that sounds good to me.

13:06:57 2 MS. ALLEN: Thank you.

13:06:58 3 First, a stay pending IPR will allow for
13:07:03 4 simplification of the issues in this case.
13:07:06 5 Twenty-seven percent of the claims asserted here are
13:07:09 6 challenged in the instituted '490 and '096 IPR proceedings.
13:07:15 7 Courts have stayed cases involving even less overlap than
13:07:20 8 exist here. And because of the substantial overlap between
13:07:23 9 the '096 and the '283 and '175 Patents, the PTAB's expert
13:07:30 10 analysis and the instituted '096 IPR proceedings will help
13:07:35 11 simplify the issues before this Court.

13:07:37 12 Focusing first on the simplification that will
13:07:42 13 result from a stay in light of the instituted '490 IPR
13:07:47 14 proceedings. All of the asserted claims for the '490 are
13:07:51 15 being challenged in the IPR proceedings. As a result, the
13:07:55 16 patent could be eliminated entirely from this action which
13:07:59 17 is important because not only are there nonparty inventors
13:08:02 18 for the '490 Patent that are not inventors for the other
13:08:06 19 asserted patents, but also the '490 technology relates to an
13:08:11 20 entirely different topic than the other three asserted
13:08:15 21 patents. The '490 focuses on collimator optimization
13:08:20 22 whereas the other three asserted patents are not focused on
13:08:23 23 collimators at all.

13:08:25 24 THE COURT: But you want me to stay the entire
13:08:28 25 case, not just the case as to the '490 Patent; right?

13:08:31 1 MS. ALLEN: Correct. And I'm happy --

13:08:34 2 THE COURT: How is telling me how the '490
13:08:38 3 Patent is so different going to help me -- help to convince
13:08:43 4 me to stay the entire case when a substantial number of
13:08:48 5 claims exist in the other patents?

13:08:52 6 MS. ALLEN: Given Your Honor's question, why
13:08:54 7 don't I focus now on the asserted claims and the '283 and
13:08:58 8 '175 that are not subject to IPR proceedings.

13:09:04 9 THE COURT: Okay.

13:09:05 10 MS. ALLEN: So focusing on that, there is
13:09:07 11 substantial overlap between the '096 Patent for which IPR
13:09:12 12 proceedings have been instituted and the '283 and '175.
13:09:16 13 Your Honor heard lengthy argument this morning addressing
13:09:21 14 precisely that overlap which was acknowledged by BMI's
13:09:25 15 counsel during the claim construction argument. That favors
13:09:29 16 a stay because the PTAB's analysis during the '096 IPR
13:09:34 17 proceedings are instructive and simplify the issues before
13:09:38 18 this Court as to the '283 and '175 Patents for which IPR
13:09:41 19 proceedings have not been instituted.

13:09:42 20 Let's focus first specifically on the overlap
13:09:52 21 between the '283 and the '096. The '096 functionally
13:09:59 22 resembles a continuation in part of the earlier '283.
13:10:03 23 Between those two patents, there are four out of five of the
13:10:07 24 same inventors. Both patents are directed to the use of a
13:10:12 25 computer implemented simulated annealing radiotherapy

13:10:16 1 planning algorithm to optimize a radiation beam arrangement.
13:10:21 2 There also are significant portions of the disclosures in
13:10:25 3 the two patents, specifications, and figures that are nearly
13:10:30 4 identical. In fact, due to the substantial similarities
13:10:35 5 between these two patents, the '096 is now subject to
13:10:38 6 re-exam proceedings for statutory and obviousness type
13:10:42 7 double-patenting compared to the '283.

13:10:47 8 Now, turning to the '175, it is also not subject
13:10:52 9 to IPR proceedings. That patent likewise incorporates the
13:10:56 10 '096 by reference in its entirety and the reason it does so
13:11:01 11 is to provide support and an explanation of what the '175
13:11:07 12 optimizer does. Because of this substantial overlap between
13:11:13 13 the '096 for which IPR proceedings have been instituted,
13:11:20 14 ordering a stay in this case will allow the Court the
13:11:24 15 benefit of the PTAB's analysis in the '096 which will be
13:11:29 16 instructive as to the '283 and '175 as well.

13:11:32 17 Finally, even assuming the PTAB were to sustain
13:11:37 18 all of the challenge claims, a stay would simplify the
13:11:41 19 issues in this action and preserve the Court's resources
13:11:44 20 through not only providing the benefit of the PTAB's expert
13:11:48 21 analysis, but also narrowing Varian's prior art base
13:11:53 22 invalidity defenses via IPR estoppel.

13:11:57 23 THE COURT: Would the narrowing of the prior
13:12:00 24 art, what patents would that apply to?

13:12:03 25 MS. ALLEN: That would apply to the patents for

13:12:06 1 which IPRs have been instituted, namely the four --

13:12:11 2 THE COURT: So just so I understand, and I
13:12:14 3 apologize for cutting you off, I think it's a product of us
13:12:17 4 being on the phone, so I'm sorry about that. But what I'm
13:12:21 5 trying to understand is you just made the argument that the
13:12:24 6 '096 and the '283 Patents are very similar and have similar
13:12:29 7 claims, but as I am understanding you, you're saying but the
13:12:32 8 estoppel would only apply to the '096, and you could
13:12:37 9 essentially make the same prior art arguments that the PTAB
13:12:42 10 addressed with the '096, but you could make them for the
13:12:45 11 '283. Is that your position?

13:12:48 12 MS. ALLEN: Varian's position, of course, would
13:12:51 13 depend on -- well, the application of the estoppel will turn
13:12:57 14 on the -- what happens before the PTAB and the IPR
13:13:04 15 proceedings. Varian's position is that as is clear under
13:13:09 16 Section 315(e)(2), estoppel only applies as to those patents
13:13:16 17 or claims for which IPR has been instituted.

13:13:20 18 THE COURT: I understand that. But you're
13:13:27 19 telling me that oh, even though not all the patents and even
13:13:32 20 though not all the claims are at issue, the case will be
13:13:39 21 simplified because of this estoppel. I'm trying to
13:13:42 22 understand if that is really the case given that you're
13:13:48 23 essentially leaving open the fact that you could make the
13:13:54 24 same prior art arguments on the '283 Patent that you would
13:13:59 25 be estopped from making on the '096. So I'm kind of missing

13:13:52 1 how there is really a simplification if that's really your
13:13:56 2 position.

13:13:57 3 MS. ALLEN: There will be a simplification as to
13:14:00 4 two of the patents for which IPRs have been instituted. And
13:14:04 5 that's the point as to IPR estoppel.

13:14:09 6 And even setting aside -- so the scope of the
13:14:14 7 IPR proceedings also will be limited to -- yes, I'll leave
13:14:19 8 it at that.

13:14:23 9 THE COURT: Okay. Anything else?

13:14:25 10 MS. ALLEN: I'll turn now to the second factor,
13:14:29 11 the status of the litigation.

13:14:31 12 THE COURT: And let me just caution you to watch
13:14:34 13 your time because there is still a motion to dismiss, so you
13:14:37 14 guys can decide how you want to use your time, but my guess
13:14:41 15 is you probably have about fifteen minutes left.

13:14:48 16 MS. ALLEN: Then with that I will note that the
13:14:51 17 status of the litigation favors a stay here because the most
13:14:54 18 burdensome parts of the litigation remain ahead.

13:14:57 19 And the third factor likewise favors a stay
13:15:00 20 because there will be no undue prejudice to BMI nor give
13:15:02 21 Varian an unfair advantage particularly where here two of
13:15:05 22 the patents are expired and the parties are not direct
13:15:12 23 competitors.

13:15:14 24 Unless the Court has any other questions, I will
13:15:22 25 pass the argument to counsel for BMI.

13:15:25 1 THE COURT: Okay. Let me hear from Plaintiff.

13:15:28 2 MR. MADDOX: Good afternoon, Your Honor. Steven
13:15:31 3 Maddox for the Plaintiff.

13:15:34 4 Just a few points, I won't be very long at all,
13:15:37 5 arising from the reply brief that they filed. In the reply,
13:15:51 6 basically they take math to a bunch of cases and say see,
13:15:57 7 it's not about the majority of claims and one case they cite
13:16:04 8 for the first time in their reply brief, that's the *Aguos*
13:16:08 9 case on page 8 of their reply. And they come up with a
13:16:12 10 14 percent figure. I'm not really sure. The court never
13:16:16 11 came up with that, but anyway. The point is that that case
13:16:20 12 turned for simplification on the patentee's expressed
13:16:24 13 admission that there was significant overlap in the claims
13:16:27 14 to be construed. There was a similarity of invention
13:16:30 15 disclosure and the claims were to the same key inventive
13:16:34 16 aspect. That's the patentee admitting that and the court
13:16:37 17 leaning on that and saying it will simplify what's before
13:16:41 18 the PTO. We don't have that here. What we're attempting to
13:16:44 19 suggest in our brief is -- first of all, we weren't saying
13:16:48 20 you're bound by a quantitative analysis. We were saying
13:16:52 21 courts seem to be looking at quantitative analysis to make
13:16:55 22 this a little more objective, a little more literal as cases
13:17:00 23 evolve. First they look at a number of claims that aren't
13:17:04 24 before the PTO compared to the portion of those who are.
13:17:07 25 They don't stop there. They say well, listen, how similar

13:17:12 1 are these things? And when the patents are in the same
13:17:15 2 family and have the same specification, they're going to
13:17:19 3 find that simplification is in favor. And that's what they
13:17:24 4 found in the *Personal Webtext* case cited on page 9 of their
13:17:30 5 reply. And it's also what they found in the *Iogen* case
13:17:36 6 cited on page 9 of their reply. They sort of attempted to
13:17:39 7 make those cases impose a mathematical equation on those
13:17:43 8 cases, but those cases turn on the common sense that when
13:17:46 9 you have patents in the same family or when you have a
13:17:49 10 patentee that says yeah, they're the same, then you may have
13:17:54 11 some simplification going on. Here we don't have that. Is
13:17:58 12 there some similarity between the '096 and the '283
13:18:02 13 specification? Yes, there is some. Are the claims the
13:18:06 14 same? No. Have they identified any terms, any common claim
13:18:11 15 terms that are going to be construed by the PTO? No.

13:18:15 16 I should point out as they have argued for the
13:18:19 17 wonderful guidance the PTO is going to give on claim
13:18:23 18 construction, we spent most of today arguing against what
13:18:27 19 the PTO did. Also as you noted, Your Honor, the PTO
13:18:31 20 guidance to claim construction at least on this case has
13:18:35 21 been quite conclusory and not much use. We don't think
13:18:39 22 there is any spillover helpfulness coming from these. I
13:18:43 23 won't recite anything else in the brief.

13:18:47 24 There is some tussle in the reply about the
13:18:51 25 timing of this and there were contentions and so forth. The

13:18:52 1 bottom line is we had midnight filings on the 365 date and
13:18:57 2 they wouldn't tell us what their obviousness combinations
13:19:02 3 were until they got their motion to stay on file. There is
13:19:07 4 not much more I can say or inclined to use our time to do.

13:19:13 5 THE COURT: Let me understand. I thought I
13:19:14 6 heard from Varian's counsel that the parties are not
13:19:17 7 competitors. I took it from the declarations that they were
13:19:22 8 competitors.

13:19:23 9 MR. MADDOX: I was just about to turn to that if
13:19:24 10 I may. On the competitive issue, we have a declaration of
13:19:31 11 Thomas Roden and, you know, all the declarations before you
13:19:34 12 obviously are obviously carefully written what they say and
13:19:37 13 don't say. The bottom line is this, Best is in the
13:19:42 14 treatment planning systems business. For a while they
13:19:45 15 worked with and Varian wanted to work with us because it
13:19:48 16 wanted to get the brains that we have to work with their
13:19:51 17 machines. That eventually stopped. Low and behold, Best --
13:19:57 18 I'm sorry, low and behold Varian started bundling a TPS with
13:20:03 19 its machines and the machines are in the market in which
13:20:06 20 they are quite dominant. And meanwhile we went about still
13:20:12 21 trying to get people to take licenses to use our brains and
13:20:14 22 we're out there garnering 50 percent of the market using
13:20:18 23 what we say infringes our patent. They're bundling the
13:20:21 24 brains we came up with along with their machines in which
13:20:24 25 they are a 900-pound gorilla. We think that's competitive.

13:20:29 1 Do we have significant market share? No. If
13:20:32 2 market share is the test, then we don't have it. But the
13:20:35 3 whole point is we can't be getting market share because
13:20:40 4 they're bundling frankly our own technology with a machine
13:20:45 5 in which they are, you know, the 400-pound gorilla. So
13:20:50 6 that's what we say on competition.

13:20:52 7 Frankly we don't think it even needs to reach
13:20:55 8 competition. There is no substantial simplification here.
13:20:59 9 There is no claim construction help that's coming. But I
13:21:03 10 will leave it there unless you have further questions.

13:21:05 11 THE COURT: One more question, Mr. Maddox. That
13:21:08 12 is, what, if anything, am I to make -- you talked about sort
13:21:11 13 of what you thought were the Defendant's tactics. What
13:21:14 14 about the point that was raised that, you know, Best waited
13:21:17 15 to file this suit and, you know, including so long that the
13:21:20 16 patents are -- two of the patents or a few of the patents
13:21:31 17 are now expired?

13:21:34 18 MR. MADDOX: A couple of things. First of all,
13:21:37 19 the patents that were expired are pioneering patents in the
13:21:40 20 field. And then we have the subsequent patents that are
13:21:43 21 defined in the subsequent technology, the '283 to the '490
13:21:46 22 and other aspects of the brain of this.

13:21:50 23 Secondly, I must say I'm not familiar with the
13:21:53 24 exact language. I see what you see from the complaint,
13:21:56 25 discussions in 2012, and I guess a lawsuit in 2000 -- I'm

13:22:00 1 sorry, '18. Part of the dynamic here is frankly the client
13:22:07 2 is very small and funding to go up against a 900-pound
13:22:11 3 gorilla is substantial. And I don't know why they chose to
13:22:16 4 sue when they sued, but I haven't seen a stay case that
13:22:22 5 actually considered that a factor and then granted a stay.
13:22:26 6 I have seen some cases where they talk about a preliminary
13:22:30 7 injunction, moving for that, but most of those get resolved
13:22:34 8 when they figure out who had access to the code when, which
13:22:38 9 is what we have, our situation.

13:22:39 10 So I guess I would say I don't know that that
13:22:44 11 alleged delay in bringing the case and I don't know what
13:22:47 12 happened between the parties between 2012 and the time it
13:22:50 13 was filed, I simply don't know, but I don't know that
13:22:54 14 someone pointing out that gap is a factor that any court has
13:22:58 15 really used to grant a stay.

13:23:00 16 THE COURT: Okay. Ms. Allen, I'll give you the
13:23:03 17 last word.

13:23:04 18 MS. ALLEN: Thank you, Your Honor. I will
13:23:07 19 respond briefly to the points made by BMI's counsel.

13:23:10 20 First, Varian completely disagrees with any
13:23:13 21 suggestion as was made today and is in BMI's papers that
13:23:16 22 Varian in some way delayed or has used this for a tactical
13:23:20 23 advantage. Varian timely filed its IPR petitions and did so
13:23:23 24 within two months of receiving BMI's preliminary
13:23:26 25 infringement contentions, which were the first time BMI made

13:23:37 1 any effort to narrow the 82 asserted claims down to 37. So
13:23:42 2 the timing of the filing of the IPR petitions was completely
13:23:47 3 reasonable.

13:23:48 4 In addition to that, Varian promptly moved to
13:23:51 5 stay within a couple of weeks of receiving the institution
13:23:54 6 decisions.

13:23:55 7 Turning next to the point of the suggestion that
13:23:59 8 BMI and Varian are direct competitors, the only thing in the
13:24:04 9 entire record to support that false claim is that a
13:24:09 10 self-serving statement in a declaration from BMI's
13:24:14 11 programmer IT manager who does not attest to having any
13:24:19 12 responsibilities or role related to sales or marketing. By
13:24:24 13 contrast, Varian has submitted a third-party report showing
13:24:29 14 that the industry doesn't recognize BMI as a competitor in
13:24:34 15 the treatment planning space.

13:24:39 16 Finally, Your Honor is correctly right in
13:24:44 17 focusing on the fact that here two of the patents are
13:24:49 18 expired. And as a result, even if you assume and take at
13:24:54 19 face value BMI's claim that it in some way competes with
13:24:59 20 Varian, the fact that seventy percent of the asserted claims
13:25:04 21 are in expired patents takes away any need or any undue
13:25:09 22 prejudice that would result to BMI as a result of a stay in
13:25:14 23 these proceedings since for seventy percent of those claims
13:25:19 24 they're only seeking monetary damages.

13:25:24 25 THE COURT: And do you think the fact that it's

13:25:15 1 a small company and those monetary damages may be meaningful
13:25:19 2 weighs against a stay?

13:25:26 3 MS. ALLEN: No. The fact that should BMI
13:25:33 4 prevail, which, of course, Varian does not think it will,
13:25:37 5 will have the opportunity to have interest on those claims
13:25:40 6 which would adequately compensate BMI in the unlikely event
13:25:46 7 it were to prevail.

13:25:48 8 THE COURT: Okay. Thank you. And I want to
13:25:51 9 thank the parties for the arguments. They were helpful to
13:25:55 10 me. But, after hearing the argument and reviewing the
13:25:58 11 briefing, I am going to exercise my discretion and deny the
13:26:02 12 motion to stay.

13:26:04 13 I have reached my decision by reviewing the
13:26:06 14 factors that the Court typically looks at in these
13:26:09 15 circumstances.

13:26:10 16 First, as to simplifying the issues, I do not
13:26:14 17 believe that the case would be substantially simplified by a
13:26:20 18 stay. Although there may be some similarities between
13:26:23 19 claims being reviewed and claims not, it remains a fact that
13:26:27 20 sixteen of the twenty-two asserted claims in this court are
13:26:30 21 not subject to IPR. And those claims will need to be
13:26:32 22 adjudicated regardless.

13:26:33 23 And, although record in the PTAB and statements
13:26:36 24 about the prior art that will become part of the intrinsic
13:26:42 25 record are sometimes informative, here, many of the asserted

13:26:48 1 claims are in patents that are not subject to IPR, and thus
13:26:51 2 the proceedings will be of limited, if any, value.

13:26:54 3 So, in this case, we have rather minimal
13:26:59 4 simplification even if all claims are determined to be
13:27:02 5 invalid in the IPR. And that weighs against a stay.

13:27:05 6 Next, the prejudice. I have considered the four
13:27:09 7 factors courts review in addressing undue prejudice and
13:27:15 8 tactical disadvantage.

13:27:16 9 With respect to the timing of the request for
13:27:18 10 review and the request for stay, Varian could have moved
13:27:21 11 faster but it filed its request for review within the time
13:27:25 12 allowed by statute and then moved relatively quickly in
13:27:30 13 seeking a stay after the PTAB institution decisions. I
13:27:34 14 cannot conclude that Varian sought a clear tactical
13:27:38 15 advantage in the timing of either its request for *inter*
13:27:41 16 *partes* review or to stay.

13:27:42 17 With respect to the status of the IPR
13:27:45 18 proceedings, the final IPR decision is expected to issue
13:27:51 19 somewhere around three months before the close of expert
13:27:54 20 discovery and around nine months before trial. This allows
13:28:00 21 time for addressing those decisions in this case to the
13:28:02 22 extent we need to do so. And, thus, that also weighs
13:28:04 23 against a stay.

13:28:11 24 And, finally, the parties' relationship.
13:28:14 25 Despite Defendants' questioning of the competitor issue, I

13:28:20 1 find that the parties are competitors - and that weighs
13:28:24 2 against a stay. Best has submitted declarations supporting
13:28:28 3 its claim that a stay will prejudice Best because Varian's
13:28:32 4 alleged infringing activity, along with its dominance in the
13:28:37 5 market, is causing loss of revenue and opportunity. And
13:28:40 6 that is typically difficult for a small company.

13:28:43 7 Taking all of that together, I find that Best
13:28:45 8 may likely be tactically disadvantaged by a stay.

13:28:50 9 Finally, looking at whether discovery is
13:28:53 10 complete and a trial date is set. Here, we have just
13:28:57 11 extended the trial date. And many of the issues are in
13:29:00 12 relatively early stages. Fact discovery is ongoing. Expert
13:29:05 13 discovery does not begin for quite a while. And the trial
13:29:13 14 is not set for quite some time. So, when I consider the
13:29:18 15 status of this case, I think that this factor favors a stay.

13:29:23 16 But, when I weigh all the factors, I think it
13:29:27 17 tips in favor of not staying the case. And, so, the motion
13:29:31 18 to stay is denied.

13:29:34 19 And that then will bring us to the motion to
13:29:40 20 dismiss. So who is going to handle that one.

13:29:42 21 MR. MARTINEZ: Good morning, Your Honor. This
13:29:48 22 is Jose Martinez for the Defendant, Varian Medical Systems.

13:29:52 23 THE COURT: Okay.

13:29:54 24 MR. MARTINEZ: Thank you, Your Honor. So the
13:29:58 25 last time the parties were before this Court, Your Honor

1 ruled that BMI had not plausibly alleged any indirect or
2 willful infringement claims. That hasn't changed since we
3 were last before you.

4 Now, slide 2 summarizes the relief that Varian
5 is seeking today and why. As an initial matter, I'll just
6 say quickly that BMI fails to plead any contributory
7 infringement since their own allegation shows that Varian's
8 products allow for substantial non-infringing use. That
9 bars their contributory infringement claim as a matter of
10 law in its entirety. And I'm not sure there is much more to
11 say on that particular point.

12 What Varian plans to focus on today is the
13 middle column that you see which is BMI's failure to plead
14 knowledge of infringement. As this Court found in *DoDots*
15 that precludes all pre-complaint liability for willful and
16 indirect infringement. Just as with Varian's first motion
17 to dismiss, BMI continues to dance around the
18 straightforward question which is why hasn't it just come
19 out and said that in 2012, BMI and Varian discussed these
20 asserted patents in relation to these accused products.
21 BMI's continuing failure to make that straightforward
22 factual allegation speaks volumes.

23 So if the Court has any specific questions, I'm
24 cognizant of my limited time and I'm happy to answer
25 anything the Court has, otherwise I can briefly talk about

BMI's failure to plead knowledge of infringement.

THE COURT: Why don't you do that.

MR. MARTINEZ: Thank you, Your Honor.

Turning to slide three, as this Court again noted in *DoDots*, the law requires a non-conclusionary plausible allegation of fact that Varian knew it was infringing the asserted patents. Thus far other than the 29 conclusionary allegations it makes in the first amended complaint which we have catalogued on page 8 of our motion, BMI has refused to provide one.

Now, we would submit that BMI can't plead that Varian had knowledge of infringement because it's not true. Now, Varian isn't asking the Court to make that factual finding at this stage, but BMI's failure to make that allegation is on its own a sufficient basis to dismiss. This is exactly like the quote purposeful sidestep in the Third Circuit *Caldon* case because BMI is refusing to plead what it wants this Court to infer that Varian and BMI discussed the asserted patents in relation to the accused products in 2012.

Now, if that were true, surely BMI would have a direct affirmative allegation in the complaint to that effect and it doesn't. And for that reason as the Third Circuit found in *Caldon*, it's not good enough. I think this pleading failure matters for at least a few reasons. The

13:32:59 1 first is BMI has to meet its pleading standard under Rule 12
13:33:04 2 and if it doesn't, then in *DoDots* this Court pointed to the
13:33:08 3 policy of pairing down claims by time period where
13:33:11 4 allegations are insufficiently pled.

13:33:14 5 More to the point, BMI was there in 2012. BMI
13:33:19 6 has pled that they were there. And that means they know
13:33:23 7 what BMI and Varian talked about and they know what they can
13:33:27 8 and cannot physically alleged. These claims also matter
13:33:32 9 because they drastically expand the scope of discovery.
13:33:36 10 While Varian has produced or agreed to produce all of the
13:33:41 11 discovery to which BMI is entitled, these inadequately pled
13:33:45 12 claims implicate third parties including Varian's customers.
13:33:50 13 And the Supreme Court in *Twombly* identified the potential
13:33:54 14 enormous costs in discovery prevented defendants from
13:33:58 15 needlessly incurring those costs as one of the policy
13:34:02 16 reasons underlying Rule 12.

13:34:06 17 What BMI does do in the complaint is it resorts
13:34:10 18 to cryptic allegations and taken together those allegations
13:34:14 19 do not give rise to a plausible inference that Varian knew
13:34:18 20 it was infringing the asserted patents. And these are the
13:34:22 21 allegations, Your Honor, in paragraphs 36 through 38, 40 and
13:34:26 22 43 of the first amended complaint. And they center on
13:34:30 23 alleged communications between BMI and Varian between 2012
13:34:34 24 and they try to allege just enough to get the Court to draw
13:34:38 25 a favorable inference, but the allegations show that it's

13:34:36 1 not enough.

13:34:37 2 I think the most obvious example is that BMI
13:34:40 3 doesn't ever say which patents or products the parties were
13:34:43 4 allegedly actually talking about. And you can see those
13:34:47 5 admissions in paragraphs 36 through 38. And then BMI
13:34:53 6 alleges in paragraph 40 that the parties had a
13:34:56 7 teleconference where they discuss the quote, Best patent
13:34:59 8 portfolio, but the knowledge of a patent portfolio doesn't
13:35:03 9 equal knowledge of the patent, let alone knowledge of
13:35:07 10 infringement.

13:35:07 11 The last I'll point out is in paragraph 43, BMI
13:35:12 12 alleges that Varian e-mailed BMI about exploring technology
13:35:18 13 that quote, may be covered by the Best patent portfolio.
13:35:24 14 For one thing, this isn't a licensing negotiation like BMI
13:35:27 15 says it is in paragraph 36. And again, BMI still does not
13:35:31 16 specify products or patents.

13:35:31 17 In sum, BMI does not give this Court a plausible
13:35:37 18 basis on which to infer that Varian knew of its alleged
13:35:42 19 infringement and accordingly fails to state a claim for
13:35:45 20 induced, contributory, and willful infringement to the
13:35:48 21 extent they're based on Varian's pre-suit conduct.

13:35:52 22 Just briefly, Your Honor, unless you have
13:35:53 23 questions on that, I can quickly turn to the remainder of
13:35:58 24 our argument.

13:36:00 25 THE COURT: Okay.

13:36:01 1 MR. MARTINEZ: Thank you.

13:36:03 2 I think the briefing on the claims, on BMI's
13:36:06 3 claims regarding Varian's post complaint conduct is fairly
13:36:10 4 straightforward. As slide 4 shows, BMI hasn't pled
13:36:14 5 contributory infringement because their own allegations not
13:36:18 6 to mention the patents and the exhibits make clear that the
13:36:22 7 accused products have at least one major substantial
13:36:27 8 non-infringing use and the prior art radiation technique we
13:36:30 9 identified and that bars the claim in its entirety.

13:36:34 10 As you see on slide 5, induced infringement
13:36:38 11 failed in its entirety, too, because the only basis BMI has
13:36:41 12 for making that claim are Varian's marketing and training
13:36:44 13 materials. As the *Monect* court in this district pointed
13:36:48 14 out, that's not enough as a matter of law.

13:36:52 15 And I'll conclude here, Your Honor, on slide 6,
13:36:55 16 and we'll just say that, you know, with post complaint
13:36:58 17 willfulness, it's a closer call. In our motion we argue
13:37:01 18 that BMI's deficient allegations preclude pre-suit of
13:37:04 19 willful infringement. We think it's clearer now especially
13:37:12 20 in light of an order issued by Judge Connolly ten days ago
13:37:15 21 that the complaint itself can't be the source of the
13:37:18 22 knowledge required to sustain induced or willful
13:37:24 23 infringement claims. And I think we'll plan to revisit that
13:37:27 24 particular argument either at the 12(c) stage or on a motion
13:37:32 25 for summary judgment.

13:37:32 1 THE COURT: I would suggest that you wait until
13:37:35 2 after you get some discovery and we deal with things like
13:37:42 3 that on summary judgment that we continue to have arguments
13:37:46 4 about the pleadings.

13:37:49 5 Let me hear from Plaintiff.

13:37:54 6 MR. MADDOX: Yes. Good afternoon, Your Honor.
13:37:56 7 Steven Maddox again for Plaintiff. With respect to the
13:38:03 8 indirect infringement claims, let's start with knowledge of
13:38:06 9 infringement. I'm sorry, any computer is doing that. So
13:38:12 10 the big different between the complaint you dismissed and
13:38:17 11 the complaint that we filed or that was filed by our
13:38:22 12 predecessors in the first amended complaint essentially
13:38:24 13 comes to paragraph 35 through 63. And the big chunk of
13:38:28 14 those dealing with facts and actually providing evidence
13:38:34 15 because we do allege that they had knowledge of each patent.
13:38:39 16 And, for instance, in paragraph 96 of the complaint, we say
13:38:45 17 as detailed in paragraphs 34 to 67, Defendants had knowledge
13:38:48 18 of the '283 Patent no later than January 2012. And we go
13:38:54 19 back to those paragraphs, you see that it's talking about
13:38:58 20 January 2012. And it seems that our statement saying you
13:39:05 21 had knowledge as of January 2012 and here is a bunch of
13:39:08 22 e-mails from 2012 is not specific enough for them, which
13:39:13 23 they don't really have any cases to support that.

13:39:18 24 We were told the first time that we were too
13:39:20 25 conclusory, so this time we came back with listen, here is

13:39:24 1 what the e-mails said, here are the facts, here are the
13:39:28 2 people, he was in charge of the Eclipse treatment, he said
13:39:32 3 we may be covered by the patent portfolio and in order to
13:39:35 4 determine this, I want the demonstration to figure this out.

13:39:39 5 We think that these facts, and they're not just
13:39:43 6 alleged facts, they're actual evidence, more than plausibly
13:39:48 7 allow us to infer that each of these patents were known and
13:39:54 8 there was knowledge of treatment for each of these patents
13:39:58 9 as alleged weren't conclusory in the counts.

13:40:02 10 Now, the crux of their complaint this time
13:40:07 11 essentially is well, look, that e-mail didn't say, didn't
13:40:12 12 list the patents, and unless it list the patents, you lose.
13:40:17 13 And they say that on page 9 of their opening brief, and
13:40:23 14 page 9, a direct quote from Varian is courts have required
13:40:28 15 allegations that the parties discussed these specific
13:40:33 16 patents being asserted, meaning unless you have got the
13:40:38 17 patent numbers, you don't have a basis to allege
13:40:43 18 contributory infringement.

13:40:48 19 The thing is when companies talk about
13:40:53 20 technology and wanting to take license and figuring out
13:40:58 21 whether they got a need for a license, they don't call up
13:41:03 22 and say I would like to talk to you about and then list a
13:41:08 23 number of patent numbers. They say I want to talk to you
13:41:13 24 about the portfolio around this product or the portfolio
13:41:18 25 around that product.

13:41:02 1 By the way, in all of this, we can't possibly
13:41:04 2 know what patents they're talking about. You notice Varian
13:41:09 3 doesn't say any other patent could have been, the document,
13:41:11 4 the evidence itself, much less our allegation say this was
13:41:15 5 being talked about by the Eclipse people, the Eclipse is the
13:41:19 6 accused treatment planning system of Varian with Best after
13:41:25 7 they had worked together for a number of years trying to
13:41:28 8 make the treatment planning system Corbus talk to Varian's
13:41:33 9 machinery, the LINAC, the accelerator.

13:41:37 10 But back to their statement that the courts
13:41:41 11 require this, no, they don't. Three cases they cite on
13:41:45 12 page 9 are *Monect*, *Netgear* and *UMass v. Memorial*. *Monect*
13:41:51 13 found a plausible inference of knowledge because the
13:41:55 14 defendant had identified the patents-in-suit to the PTO
13:41:58 15 through prior art. That's not a rule that says you have to
13:42:01 16 list the patent by number. *Netgear* found plausible
13:42:05 17 inference where the plaintiff had taken a license to the
13:42:09 18 asserted patent. That's not a rule that says you have to
13:42:12 19 list the patents by number. *UMass v. Memorial*, it was a
13:42:16 20 plausible inference because the defendant had cited it as
13:42:19 21 prior art and had contacted about discussing a license.

13:42:23 22 None of these cases reflect knowledge, suggest,
13:42:27 23 a rule that you have to identify the patents by name in our
13:42:31 24 allegations to support a plausible inference of knowledge of
13:42:35 25 infringement.

13:42:38 1 And finally, Varian went a little too far on
13:42:42 2 page 9. They say nothing in the claim plausibly indicates
13:42:45 3 that any of the technologies discussed were related to the
13:42:48 4 asserted patents or accused products. And, of course, right
13:42:51 5 there in e-mail it says Varian talked to my individual
13:42:56 6 there, he is in charge of the Eclipse treatment. He is
13:43:00 7 that. The only other thing to mention here is there is no
13:43:02 8 evidence or even an allegation that Varian had any interest
13:43:06 9 in any patents other than for TPS, for Best, it's the only
13:43:13 10 thing Best did. They can't even say well, it could have
13:43:16 11 been about something else. No. There is a you were too
13:43:20 12 conclusory and now we say well, here is facts and evidence,
13:43:25 13 they say that evidence doesn't have the magic words in it.
13:43:29 14 This is going to be a factual issue, I suppose, a big
13:43:34 15 factual issue, but it's going to be that. It's not going to
13:43:37 16 be something that should be resolved on pleadings.

13:43:42 17 I would like to talk for a second about
13:43:44 18 inducement and intent. Counsel didn't spend any time on
13:43:48 19 that. I will say their brief on page 15, they say that
13:43:54 20 *Monect* stands for the proposition that instructing customers
13:43:56 21 is insufficient for inducement. *Monect* doesn't say that.
13:44:03 22 Again, *Monect* --

13:44:05 23 THE COURT: But the problem, the issue I had
13:44:07 24 with the inducement, this aspect of inducement was that I
13:44:12 25 previously said that you hadn't pleaded, you kind of had

13:44:19 1 these generalities on they train people and tell people how
13:44:25 2 to use it, but there weren't any specifics given. And for
13:44:29 3 three out of four patents no changes were made to those
13:44:31 4 allegations. So I'm not sure how it's consistent with my
13:44:35 5 prior ruling to say well, Judge, change your mind, it's not
13:44:42 6 sufficient when you actually didn't add anything.

13:44:45 7 MR. MADDOX: You are correct about the relative
13:44:49 8 text. As you know, I am new counsel here. I don't lightly
13:45:00 9 say it, but it seems to me that *UMass* say that those
13:45:05 10 allegations are enough and we alleged a bunch of manual -- I
13:45:09 11 must say I don't know every attachment to the first amended
13:45:13 12 complaint, but we gave all the documentation that we have on
13:45:16 13 it. And if it doesn't include a user manual, I don't think
13:45:21 14 they have a user manual. We couldn't go out and get user
13:45:27 15 manuals. I don't have anything else for you on that, Judge.
13:45:32 16 I'm sorry.

13:45:35 17 THE COURT: Okay.

13:45:39 18 MR. MADDOX: But I would suggest that it's
13:45:42 19 legally sufficient to allege that they train their customers
13:45:46 20 to do that and they do that among other things through user
13:45:49 21 manuals and Varian doesn't seem really to dispute that. It
13:45:53 22 doesn't seem to be an actual issue.

13:45:56 23 And in their reply on page 5 and page 16 of
13:45:59 24 their brief, their argument, the argument they start to
13:46:03 25 mount is if the user manual teaches a non-infringing use,

13:46:08 1 then we're out. The main brief at 16 in the reply at five,
13:46:13 2 the thing is those folks who do have access to every user
13:46:17 3 manual that Varian ever made, those folks don't point to a
13:46:22 4 single page, to a single one of those manuals to show that
13:46:25 5 there was a non-infringing use. They have the access to the
13:46:30 6 manuals. They haven't come forward with any. They just
13:46:34 7 said well, if there is a non-infringing use of the manual,
13:46:37 8 we're out. They didn't follow that up with here is a
13:46:41 9 non-infringing use from our manual.

13:46:44 10 I would like to turn to contributory
13:46:46 11 infringement very briefly.

13:46:47 12 THE COURT: I was just going to ask you, tell me
13:46:50 13 about this. It seems to me that the case law says that what
13:46:53 14 you have asserted is sufficient unless it is undermined by
13:46:56 15 other aspects of the complaint and they seem to be saying
13:47:00 16 well, you know, you say that there is prior art that does
13:47:03 17 stuff, so therefore, it's undermined. What's your response
13:47:06 18 to that?

13:47:09 19 MR. MADDOX: There is always prior art that does
13:47:12 20 stuff. They don't have anything other than a lawyer's
13:47:15 21 conclusionary assertion that it's undermined. That would
13:47:18 22 very quickly lead to anything with prior art -- it doesn't
13:47:21 23 seem to be an argument that any court has ever bought and I
13:47:24 24 certainly haven't cited any. What came out in their reply
13:47:27 25 for the first time is when they started -- they offer

13:47:32 1 essentially two cites to the exhibits of the first amended
13:47:36 2 complaint. The first cite is to Exhibit R at docket
13:47:41 3 page 14, that's Document 44.4. They say look, you see, it
13:47:46 4 says our linear accelerator, you can buy additional hardware
13:47:51 5 and attach it to our linear accelerator and that additional
13:47:55 6 hardware will let your linear accelerator do things that
13:47:59 7 they say here in this motion are not covered by the patents.
13:48:04 8 That's not enough to disprove anything or to show anything.
13:48:09 9 There is no indication of what the uses are, of who does it,
13:48:14 10 anyone has a motive to do it, if anyone ever does it. These
13:48:17 11 are classic factual issues that shouldn't be resolved on the
13:48:21 12 complaint.

13:48:23 13 But one thing has come up. When you look at
13:48:26 14 this more, if you look at the two things that they cited,
13:48:30 15 they are literature for their linear accelerator machine.
13:48:34 16 And that's the machine that actually does. We are in the
13:48:38 17 brain business, the TPS business, and so what they basically
13:48:42 18 are saying is look, we bundle our TPS which we say
13:48:46 19 infringes, our TPS with our machine, and the machine that we
13:48:50 20 bundle our TPS with, that might be able to be used for
13:49:04 21 non-infringing uses, therefore, there could be no
13:49:08 22 contributory infringement.

13:49:09 23 And that takes you -- first of all, it's not
13:49:13 24 clear that that's enough, but it takes you into an
13:49:17 25 incredibly fact specific analysis that the Federal Circuit

13:49:16 1 has said in those cases you need to apply. And it's not
13:49:20 2 briefed by anyone. It came up in their reply. But I would
13:49:25 3 recommend the Court to *Richo Company v. Quanta Computer*, 550
13:49:31 4 F3rd 1325 at 1338, Federal Circuit 2008. When a
13:49:39 5 manufacturer includes in its product a component that can
13:49:42 6 only infringe, the inference of infringement as intended is
13:49:48 7 unavoidable. It's entirely appropriate to presume that one
13:49:52 8 who sells a product containing a component that has no
13:49:55 9 substantial infringing use in that product does so with the
13:49:59 10 intent that that component will be used to infringe. I'm
13:50:02 11 not saying this case means we win, I'm saying this case
13:50:06 12 means it's going to be a sticky factual issue if that's
13:50:09 13 their theory. I bundled it to something that has a
13:50:15 14 substantial amount of non-infringing use. We can sidestep
13:50:18 15 it here because of a non-infringing use is lawyer
13:50:21 16 conclusionary statements about some things in the back of
13:50:25 17 options for a sales brochure. That's not the kind of
13:50:28 18 contradiction to overcome the presumption that your
13:50:31 19 allegation is sufficient to begin with.

13:50:34 20 With that, if you have a question, if you don't,
13:50:37 21 I'll pass it to the counsel.

13:50:39 22 THE COURT: Okay. Defendant.

13:50:42 23 MR. MARTINEZ: Thank you, Your Honor. Just a
13:50:45 24 few responses to what BMI counsel just noted. The first is
13:50:48 25 that BMI is conflating knowledge of the patent with

13:50:55 1 knowledge of infringement. BMI's counsel focused on how the
13:50:59 2 allegations of the complaint allow for the plausible
13:51:05 3 inference that Varian knew of the four asserted patents.
13:51:09 4 Notwithstanding the fact that we disagree with at least,
13:51:13 5 with respect to at least two of the asserted patents, that
13:51:16 6 doesn't matter for purposes of this motion. What BMI had to
13:51:20 7 do, whether it had to plausibly allege that Varian knew of
13:51:24 8 its alleged infringement and our argument is that well,
13:51:29 9 given the vague allegations that BMI added to the complaint
13:51:34 10 in response to the Court's order dismissing their initial
13:51:37 11 complaint, those amended allegations even still don't get
13:51:41 12 there.

13:51:44 13 The second thing that I will point out is that
13:51:47 14 it is not our position that the patents need to be listed in
13:51:50 15 the e-mail that's attached to the complaint, to the amended
13:51:54 16 complaint as Exhibit S. It is our position that BMI needs
13:51:58 17 to make that allegation in their complaint even on
13:52:02 18 information and belief, even just to say we believe that in
13:52:05 19 2012, based on what we know that Varian and BMI discussed
13:52:10 20 the asserted patents with respect to the accused products.
13:52:14 21 And again, even after their initial set of allegations were
13:52:18 22 dismissed, they did not do that.

13:52:22 23 The last point I'll make, Your Honor, is just
13:52:25 24 with respect to contributory infringement, I disagree with
13:52:30 25 counsel's characterization of Varian's argument so I will

13:52:34 1 just briefly summarize it here.

13:52:37 2 We are -- we do point out in the complaint first
13:52:42 3 -- excuse me, we pointed out in our brief that BMI has
13:52:46 4 alleged in paragraphs 23 and 24 of the complaint that
13:52:50 5 conformal radiation therapy is in the prior art and BMI
13:52:55 6 discusses the problems in the prior art purportedly solved
13:52:58 7 by the patents. In the same complaint in paragraphs 112 and
13:53:02 8 176, BMI alleges that ellipse is used among other uses to
13:53:08 9 explain conformal radiation therapy treatment and thus
13:53:11 10 admits that the accused products have a substantial
13:53:14 11 non-infringing use that's identified as a prior art
13:53:20 12 technique in its own complaint.

13:53:21 13 And I would add that, you know, we identified a
13:53:24 14 few examples in BMI's exhibits to the complaint that support
13:53:31 15 that, but really, everything you need is on the face of
13:53:37 16 BMI's pleading and on the face of the patents that they're
13:53:41 17 asserting against us.

13:53:42 18 Unless the Court has any further questions, I'll
13:53:45 19 submit.

13:53:48 20 THE COURT: Okay. Thank you.

13:53:48 21 So Defendants have moved to dismiss the claims
13:53:52 22 of indirect infringement and pre-suit willful infringement
13:53:56 23 of the four patents-in-suit in Plaintiff's Amended Complaint
13:54:00 24 pursuant to Rule 12(b)(6).

13:54:03 25 I am going to grant the motion in part and deny

it in part.

As I noted in my prior decision on the motion to dismiss, the general law on pleading requirements and, in particular, pleading direct infringement and inducement is set out in my opinions in *DoDots Licensing Solutions LLC v. Lenovo Holding Co.*, No. 18-098(MN), 2018 WL 6629709 (D. Del. Dec. 19, 2018) and the subsequent opinion in that case at 2019 WL 3069773 (D. Del. July 12, 2019).

There are three types of infringement at issue in Defendants' motion to dismiss:

1. Inducement;
2. Contributory infringement; and
3. Willful infringement.

First, as to Defendants' argument that Plaintiff has failed to plead pre-suit knowledge of the patents and knowledge of alleged infringement and, therefore, the indirect and willful infringement claims should be dismissed to the extent they are based on Defendants' pre-suit conduct.

To state a claim of indirect infringement or willful infringement, a plaintiff must plausibly allege that the accused infringer had knowledge of the patent and knowledge of its infringement - here, Plaintiff's allegations of knowledge are sufficient at this stage. Plaintiff alleges, *inter alia*, that the parties'

13:55:22 1 "representatives participated in a teleconference on
13:55:26 2 February 16, 2017, during which representatives of the
13:55:30 3 parties ... discussed ... the Best patent portfolio related
13:55:37 4 to the Corvus treatment planning system" and, as of that
13:55:41 5 same date, "each of the Patents-In-Suit was publicly known
13:55:44 6 as covering aspects of Corvus due at least to patent
13:55:49 7 marking." Plaintiff further alleges that the two sides
13:55:53 8 communicated regarding the same patent portfolio and
13:55:56 9 Defendants' technology.

13:55:57 10 Additionally, Plaintiff alleges that Defendants'
13:56:00 11 knowledge of at least two of the Patents-In-Suit - the '283
13:56:04 12 and '096 Patents - is further evidenced by the fact that
13:56:07 13 those patents were cited eight and seven times,
13:56:09 14 respectively, as prior art in the prosecution of patents
13:56:13 15 assigned to Defendants.

13:56:14 16 I am mindful that Plaintiff is arguably pleading
13:56:19 17 around the issue - and did not specifically say that the
13:56:21 18 Patents-In-Suit were discussed. But I think the pleading
13:56:24 19 here is different from *Caldon* because here they allege
13:56:31 20 talking about the patent portfolio and allege these patents
13:56:32 21 are part of that portfolio. So I find that such allegations
13:56:42 22 are sufficient at this stage, where I must construe the
13:56:43 23 complaint in the light most favorable to Plaintiff, to
13:56:50 24 reasonably infer that Defendants knew of the Patents-In-Suit
13:56:54 25 pre-suit and had knowledge that the Accused Products

13:56:57 1 infringed the Patents-In-Suit. I am not saying that they
13:57:01 2 have shown that for purposes that will get beyond summary
13:57:03 3 judgment, but I think they have done enough for the pleading
13:57:07 4 stage. And, thus, I will deny Defendants' motion with
13:57:10 5 respect to that issue.

13:57:11 6 Next, Defendants argue that Plaintiff's pre- and
13:57:15 7 post-suit contributory infringement claims should be
13:57:18 8 dismissed because the Amended Complaint does not plead
13:57:20 9 sufficient facts indicating that the Accused Products lack a
13:57:24 10 substantial non-infringing use.

13:57:26 11 To state a claim for contributory infringement,
13:57:31 12 Plaintiff must allege, *inter alia*, that Defendants sold
13:57:34 13 products with no substantial non-infringing use. "The
13:57:37 14 Federal Circuit[, however,] has ruled that affirmatively
13:57:41 15 pleading the absence of substantial non-infringing uses
13:57:45 16 renders the claim plausible if the pleadings do not
13:57:49 17 undermine that allegation." That's the *Merck Sharp & Dohme*
13:57:53 18 *Corp. v. Teva Pharms. USA, Inc.* case, 2015 WL 4036951, at
13:57:55 19 *7, which cites the *Bill of Lading* case from the Federal
13:58:02 20 Circuit. Non-infringing uses are substantial when they are
13:58:06 21 "not unusual, far-fetched, illusory, impractical,
13:58:10 22 occasional, aberrant, or experimental." *Id.*

13:58:14 23 Plaintiff alleges that the Accused Products were
13:58:18 24 or are "not staple articles or commodities of commerce
13:58:22 25 suitable for substantial non-infringing use." Defendants

13:58:26 1 contend that those allegations are undermined, however,
13:58:26 2 because the '283 and '096 Patents "acknowledge that many
13:58:29 3 conformal radiation treatment techniques existed in the
13:58:33 4 prior art" and certain exhibits attached to the Amended
13:58:37 5 Complaint indicate that the Accused Products are used with
13:58:39 6 non-infringing conformal radiation techniques encompassed by
13:58:44 7 that described prior art and, thus, they have substantial
13:58:48 8 non-infringing use.

13:58:50 9 At this stage, however, it is not sufficiently
13:58:54 10 clear to the Court that that is true. The '283 and '096
13:58:59 11 Patents describe prior art methods of conformal radiation
13:59:02 12 therapy, but both patents also state that the inventions
13:59:05 13 they convey "relate[] to a method and apparatus for
13:59:09 14 conformal radiation therapy of tumors." Moreover, the
13:59:13 15 purportedly non-infringing uses mentioned in the exhibits
13:59:17 16 pointed to by Defendants do not clearly fall within the
13:59:21 17 prior art methods distinguished in the patents, at least
13:59:24 18 from my reading at this stage.

13:59:26 19 Thus, I cannot conclude that the conformal
13:59:32 20 radiation therapy described in the exhibits pointed to by
13:59:34 21 Defendants are any of the prior art techniques described in
13:59:37 22 the '283 and '096 Patents and, in turn, that the Accused
13:59:42 23 Products have substantial non-infringing use.

13:59:44 24 Although there may be a discrepancy between
13:59:47 25 Plaintiff's Amended Complaint and its exhibits, the pleading

13:59:50 1 stage of this case is not the time to conclusively determine
13:59:53 2 that the uses of the Accused Products mentioned in the
13:59:56 3 exhibits which Defendants point out constitute substantial
14:00:01 4 non-infringing use, particularly so where I must assume the
14:00:08 5 veracity of the facts pled.

14:00:09 6 Lastly, Defendants argue that Plaintiff's
14:00:12 7 induced infringement claims should be dismissed because the
14:00:16 8 Amended Complaint "pleads no additional facts showing that
14:00:19 9 [Defendants] actively induced its customer to infringe the
14:00:21 10 asserted patents."

14:00:21 11 Plaintiff contends that it has met this
14:00:24 12 requirement because it has sufficiently alleged knowledge of
14:00:27 13 the patents and infringement, as well as marketing,
14:00:30 14 training, and promotional activities of the Accused Products
14:00:33 15 by Defendants for an infringing use.

14:00:36 16 "[M]arketing activities are ... sufficient to
14:00:39 17 constitute induced infringement ... [if] coupled with actual
14:00:42 18 knowledge of the patents-in-suit and awareness that the
14:00:45 19 accused products infringe the patent[s]-in-suit."

14:00:48 20 Yet, as I stated in dismissing Plaintiff's
14:00:51 21 original inducement claims, unsupported and conclusory
14:01:04 22 assertions for each patent that Defendants knowingly cause
14:01:07 23 or intend to cause direct infringement of the relevant
14:01:10 24 patent ... with specific intent and that Defendants train
14:01:13 25 their customers on the use of the Accused Products and/or

14:01:11 1 promotion, sales, and/or importation of the Accused Products
14:01:13 2 with no reference to any actual promotional materials is not
14:01:18 3 enough.

14:01:19 4 The Amended Complaint, for the most part, still
14:01:23 5 lacks any reference to actual promotional materials or
14:01:26 6 similar materials, or comparable specific factual
14:01:30 7 allegations. Instead, it once again - for the most part -
14:01:34 8 improperly relies on unsupported conclusory allegations that
14:01:38 9 are almost identical to those in the Original Complaint.
14:01:40 10 The one exception is in relation to the '283 Patent, for
14:01:41 11 which Plaintiff now asserts that "Varian provided Eclipse
14:01:42 12 user guides and reference manuals allowing its customers to
14:01:51 13 use the infringing features of Eclipse, including IMRT
14:01:54 14 optimization."

14:01:57 15 Thus, I will grant Defendants' motion to dismiss
14:02:00 16 Plaintiff's claims of induced infringement, both pre- and
14:02:04 17 post-suit, for all of the Patents-In-Suit except the '283
14:02:08 18 Patent. However, I will do so without prejudice. To the
14:02:11 19 extent that Plaintiff can uncover any specific documentation
14:02:12 20 or evidence during the discovery period, it may later
14:02:21 21 attempt to amend the complaint to add such allegation.

14:02:22 22 So, with that, Defendants' motion to dismiss is
14:02:32 23 denied-in-part and granted-in-part.

14:02:35 24 Now I think we have addressed all of the issues
14:02:37 25 that we had planned on addressing today. Is there anything

14:02:41 1 else that we need to discuss now from Plaintiff?

14:02:47 2 MR. SON: This is Anthony Son on behalf of the
14:02:53 3 Plaintiff. I don't believe there are any additional issues.

14:02:57 4 THE COURT: For the Defendant, anything else?

14:03:02 5 MR. LAM: Your Honor, this is Lee Lam for
14:03:04 6 Defendant, Varian. I take it that we are now at the
14:03:09 7 pleading stage and that we will have to answer in due
14:03:15 8 course. I take that as the upshot of Your Honor's oral
14:03:19 9 ruling on our motion to dismiss.

14:03:21 10 THE COURT: Yes. I am not telling the Plaintiff
14:03:24 11 to file an amended, potential amended pleading within a
14:03:30 12 particular time frame given that I think some discovery
14:03:34 13 needs to play out. So yes, I think we are at the point
14:03:38 14 where the Defendant needs to answer.

14:03:41 15 Anything else? All right, everybody. I hope
14:03:52 16 you have a good weekend and I thank you again for your
14:03:54 17 arguments here today.

18 (Teleconference concluded at 2:03 p.m.)

19
20 I hereby certify the foregoing is a true and
21 accurate transcript from my stenographic notes in the proceeding.

22 /s/ Dale C. Hawkins
23 Official Court Reporter
24 U.S. District Court
25